

NATION'S BUSINESS



September

1927

An Answer to Mussolini's
Challenge *by Julius H. Barnes*

The Day When the Auto Was
a Joke *by Chris Batchelder*

Starting Business After the
Flood *by Dale Graham* ☞ ☞

What Business Did at Stockholm
by Merle Thorpe ☞ ☞ ☞

Map of Nation's Business, Page 44



Published at Washington by the Chamber of Commerce of the United States

A QUARTER OF A MILLION CIRCULATION



Reproduction from a painting made on the estate of Vice President Charles G. Dawes, Evanston, Illinois, by Frank Swift Chase

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Among prominent persons and institutions served by the Davey Tree Experts are the following:

Experts are the following:
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COLGATE UNIVERSITY
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Father of Tree Surgery
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A \$2,000,000.00 business in saving trees in 1926

Yet 70% of Davey clients paid less than \$100 each

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These clients included private home owners and country clubs; municipal, state and federal parks and institutions; schools and colleges; churches, cemeteries and philanthropic organizations; corporations and other business concerns.

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26 years ago John Davey was working alone in the practice of his new science prior to the publication of his first book, "The Tree Doctor." Since then the business has grown steadily year by year in annual volume, number of trained employes, and the number of clients served.

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These Davey Tree Experts give you proven and reliable service at moderate cost—no carfare is charged and you pay only for working time plus material and delivery costs.

Write or wire nearest office for free inspection of your priceless trees. Davey Tree Experts live and work in your vicinity; they are quickly and easily available for large or small operations.

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Every real Davey Tree Expert is in the employ of The Davey Tree Expert Co., Inc., and the public is cautioned against those falsely representing themselves. An agreement made with the Davey Company and not with an individual is certain evidence of genuineness. Protect yourself from impostors. If anyone solicits the care of your trees who is not directly in our employ and claims to be a Davey man, write headquarters for his record. Save yourself from loss and your trees from harm.

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a bag? a box? or a barrel?



Which do you use
and why?

WHY

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Are Changing to Bags

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Cost of 1 Lime Barrel (average) 60c
Cost of 2 Bemis Special Lime Bags (equivalent of 1 Barrel—average) 36c
Saving 24c—40%

Tare Weight Saving

Weight of 1 Lime Barrel (approx.) . . . 16 lbs.
Weight of 2 Bemis Lime Bags (approx.) . 3 lbs.
Saving . . . 13 lbs.—81%

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1 Minimum Carload in Barrels . . . \$111.00
1 Minimum Carload in Bags . . . 102.00
Saving . . . \$ 9.00—8 to 9%

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At least you will have the satisfaction of really knowing—and there will be no cost or obligation. We are continually maintaining a technical staff to help shippers select the most economical containers for their goods.

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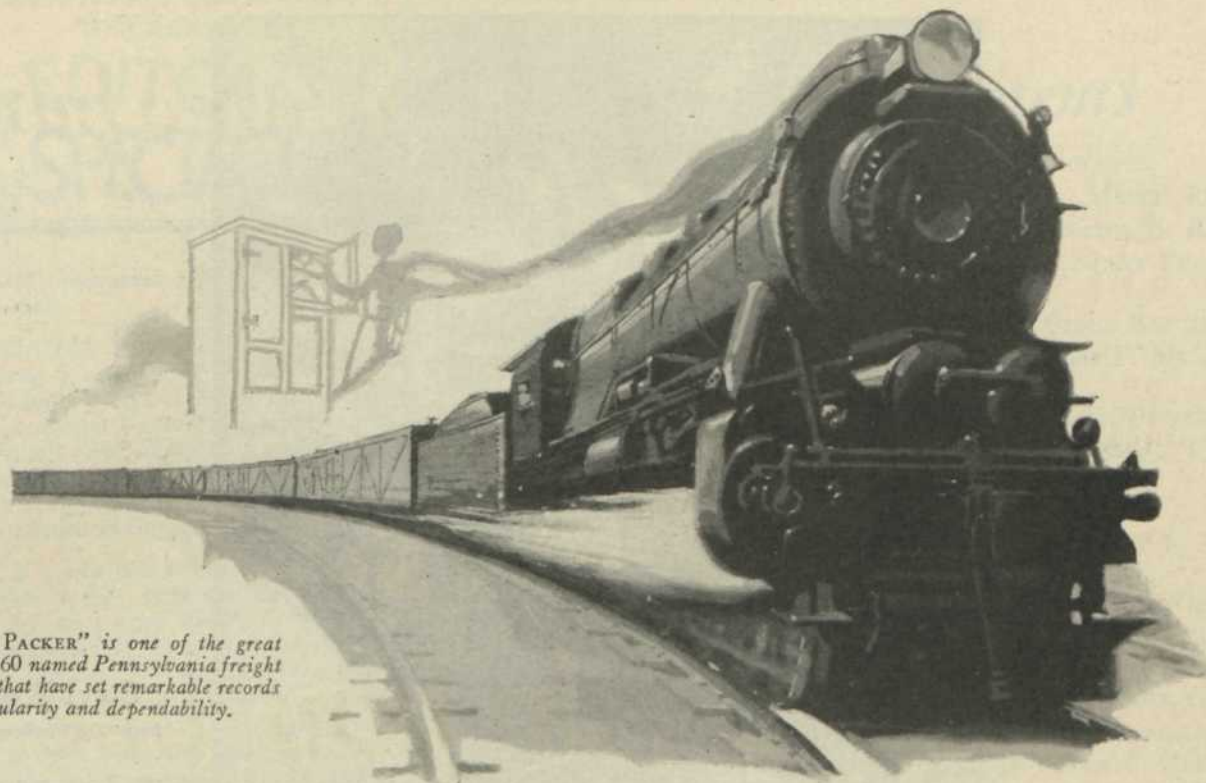
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L298



"THE PACKER" is one of the great fleet of 60 named Pennsylvania freight trains that have set remarkable records for regularity and dependability.

"The PACKER"

a line of ice boxes rolling East

SUPPOSE your old family refrigerator should suddenly become imbued with life and begin to circulate around your kitchen.

"Not so good," you'd say. "Fantastic." "Temperamental." You would probably reprove the icebox in firm tones and clamp it down to prevent further peregrinations.

Yet here is a whole long line of ice-boxes moving Eastward every day. Together they comprise "The Packer"—a big Pennsylvania freight train that moves the "perishables" of the West to Eastern Markets.

IN the cool recesses of this great train are succulent green vegetables, ripening fruits, and the delicious meats that grace a vast number of Eastern tables.

"The Packer" is both grocery boy and butcher boy to the Eastern housewife. But

unlike these evil institutions, it never loiters, never stops on the way to sneak a smoke, bandy words, or stone cats. It goes right from

its starting point to its destination, consistently bringing in its valuable cargo on time.

Every day of the year "The Packer" leaves Chicago a few hours before midnight. Between its roaring locomotive and its swinging cab are cars, not only from the Chicago territory, but from far Western points as well as from the Southwest and Northwest. These have reached Chicago Terminals via the connecting railroad lines West of that point.

From the "Windy City" this train moves to the Eastern Terminals covering a distance varying from 800 to 900 miles. And all the way it is handled by locomotives of the latest type.

"The Packer" pauses at Canton, Ohio, and Huntington, Pennsylvania, where modern icing stations are located. Then it's "up with the hatches" and into the bunkers go dripping chunks of the Arctic Circle that insure the freshness of the "perishables" all the way into Eastern Terminals. And all with a minimum of delay for it takes just one minute per car by actual test to re-ice at these up-to-date stations.

Regularity and dependability of on-time arrival is part of "The Packer's" daily ambition. And this ambition has been realized consistently month in and month out.

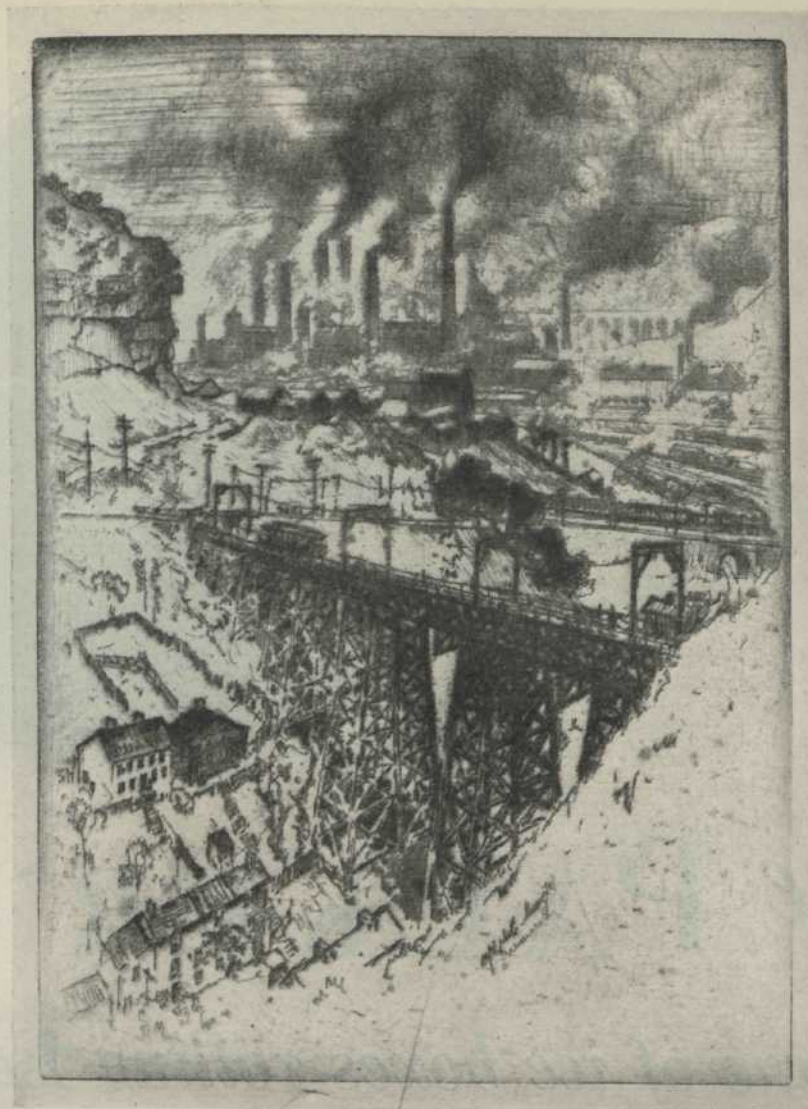
Shippers:

Are you giving the man who routes your freight the time and opportunity to effect the economies, contribute to the new business strategy which in many industries is considered the most important development since Mass Production?

The Industrial Traffic Managers of many organizations have been instrumental in the speeding up of turnover—in the reduction of inventories—and in the opening up of new selling territories to which improved freight transportation has given them access.

Carries more passengers, hauls more freight, than any other railroad in America

PENNSYLVANIA RAILROAD



"Steel Works"

from "The Wonder of Work"

We are privileged to reproduce here one of a series of drawings of industrial subjects by the late Joseph Pennell, one of America's great artists. Courtesy of the J. B. Lippincott Co.

TO MANUFACTURERS OF QUALITY PRODUCTS

What is your policy on prices?

HOPE, with many people, comes from "confusing desire with probability."

Manufacturers who *slight quality* and *cut prices* hope that the public will favor them with patronage—ignoring the probability that if they do so, it will not be for long.

Expectation of success in your business, and in ours, is based upon clear thinking—how well our products can be made, how accurately they serve a need.

We serve with lubricating oils. Ours are not the cheapest oils per gallon, but we believe them to be the most effective, and cheapest in the end. And thousands of plant owners who believe so with

us have made this Company world leader in its field.

Lubrication's Clear-Cut Duty

Example: Wood pulp comes in at one end of a paper mill. Finished paper rolls out at the other. Production delays are costly. This industry cannot afford to use "cheap" lubricants that cause machine failures. Most paper mills safeguard continuous pro-

duction with oils produced by the Vacuum Oil Company.

In any manufacturing process where production flows in uninterrupted sequence, the lubrication problem is most important.

Regardless of what you make, correct lubrication is inexpensive insurance against wear, delays due to mechanical interruptions, power losses. The Vacuum Oil Company has wide experience in lubricating the machinery you operate.

After we are engaged to supply lubrication our engineering staff will keep in touch with your plant personnel, and with them maintain lubrication efficiency.

To learn clearly all we can do for you, please write us.



Lubricating Oils
for Plant Lubrication

Vacuum Oil Company

HEADQUARTERS: 61 BROADWAY, NEW YORK. BRANCHES AND DISTRIBUTING WAREHOUSES THROUGHOUT THE COUNTRY

When writing to VACUUM OIL COMPANY please mention Nation's Business



RANDOM observations from an Editor's note-book:

STOCKHOLM: In a Swedish paper this morning, I observed a picture of my old friend John Willys of Toledo, but under the photograph I noted that it was not Mr. Willys but "Mr. Willy Knight, prominent automobile manufacturer of the U. S. A." That did not deter Mr. Willys from opening a branch in Stockholm.

HERE is a city hall worth travelling to Sweden to see. It is the finest building built by man since the dawn of this century, so said the award of the Gold Medal in London last year. The main feature of the building is that it really runs around two adjacent court yards, one of which is open while the other is roofed over so as to form an immense room into which the windows of the municipal apartments look. The room contains an enormous marble stairway and a marble balcony which opens into a golden hall and the effect is most striking. The large room thus formed by the court is some fifty feet high and lighted by a dado of glass running round the top some six feet broad.

Many of the delegates to the recent International Chamber Congress in Stockholm thought it was the most striking building they had ever seen. It is entirely modern in style and has borrowed nothing from the past, although to some it was reminiscent of Venetian architecture and the Palace of the Doges.

A DELEGATE to the Congress told me in the elevator this morning that he saw a sign on a highway in Scotland which read "Horns Hoot Here."

MEALS are a little disconcerting in Sweden at first. At luncheon they bring on an immense number of hors d'oeuvre and you begin by eating salmon caviar, herring pickled in half a dozen different ways, smoked reindeer, and lots of other delicatessen food including strong cheese washed down by *brantwin* a rather sweet tasting local firewater something like gin. Then you have one course of fish or meat and on comes the coffee to the accompaniment of a sweet golden drink too weak in alcohol to be classed as a liqueur and yet stronger than the strongest dessert wines.

STOCKHOLM boasts the two highest buildings in Europe, miniature skyscrapers of seventeen stories. On the top of each is a restaurant and a roof garden.

PARIS: The St. Germaine Golf Club has an unusual natural hazard.

Crows carry off the golf balls.

It is no uncommon sight to see a man make a drive and then rush shouting down the fairway. Crows swoop down from

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Managing Editor WARREN BISHOP	Business Manager J. B. WYCKOFF	Director of Advertising GUY SCRIVNER	Circulation Managers O. A. BROWN L. F. HURLEY
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GENERAL OFFICES: WASHINGTON, D. C.

Editorial Staff CHESTER LEASURE RAYMOND WILLOUGHBY WM. BOYD CRAIG ROBERT L. BARNES WILLARD L. HAMMER	New York Graybar Bldg. Detroit General Motors Bldg. Chicago Metropolitan Bldg.	Branch Offices St. Louis Chamber of Com. Bldg. Cleveland Keith Bldg. Pittsburgh Chamber of Com. Bldg.	San Francisco Merchants Exchange Bldg. Philadelphia Chamber of Com. Bldg.
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As the official magazine of the National Chamber, this publication carries authoritative notices and articles in regard to the activities of the Chamber; in all other respects the Chamber cannot be responsible for the contents thereof or for the opinions of writers to which expression is given.



The First Steps

IN ENTERING foreign trade the first steps are of vital importance. Your progress will be facilitated by proper discrimination in methods of approach to markets, selection of agents and closing of contracts.

To prevent avoidable mistakes and delays the complete facilities of American Exchange Irving Trust Company are at your disposal. Correspondent banks everywhere keep this organization in close touch with changes in local conditions and trade requirements.

Many years of experience have fitted this Company to carry through to prompt and satisfactory conclusion financial transactions with all parts of the world.

OUT-OF-TOWN OFFICE

AMERICAN EXCHANGE
IRVING TRUST COMPANY

Woolworth Building, New York

the trees and carry the balls off to their nests. The day I was there, caddies raided the nests and found 23 Silver Kings and Dunlops. Of course, according to the rules of every first-class golf club, the caddies promptly turned the balls over to the caddy master.

THE reason there are so many small restaurants in Paris where the food is of such high quality, I find, is because often father is the chef, mother is at the cash desk and the rest of the family waits table.

Granting the superiority of French cooking in itself, it is made infinitely more appealing by the fact that the art is less commercialized than elsewhere. Numbers of great restaurants there are of course run on purely business lines, but there are hundreds of good eating places where the owner counts as part of his reward the joy of cooking.

THE French have learned to use large quantities of artificial ice, but they have not yet made the acquaintance of ice-tongs. The Paris iceman huddles to his perspiring breast the lump of ice, sometimes wrapped in a piece of sacking, sometimes not. On an average, one-tenth of the total delivery force of the ice company is laid off with colds and other forms of sickness. One would think that half a gross of ice-tongs would be a good investment.

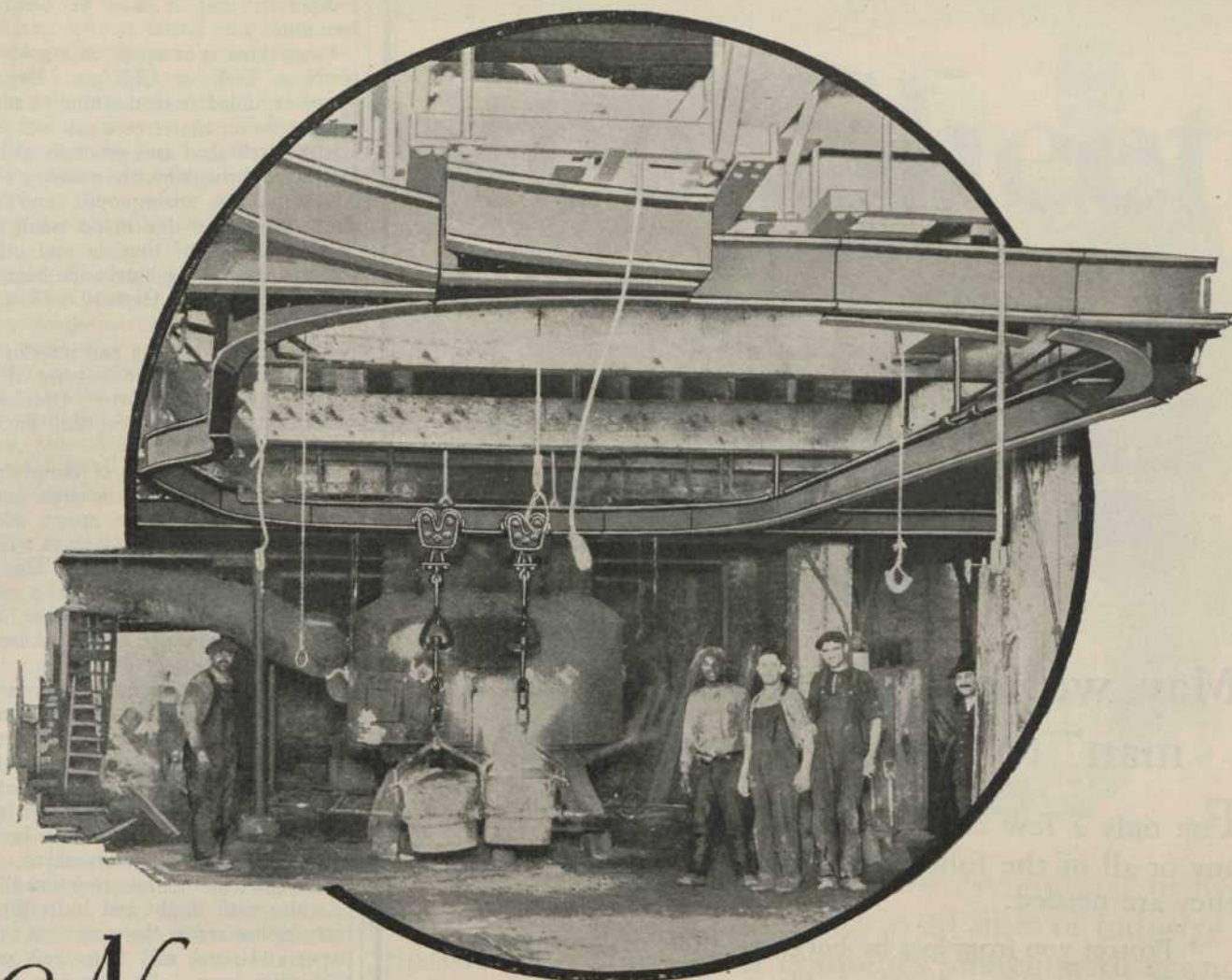
THE eight-hour day is enforced in France by law—everywhere except in the schools. There it is usual for little children to be made to work nine or ten hours a day and sent home with lessons that will take another two hours to prepare. Work starts in the morning at 8 or 8.30 and with a short break for lunch can go on long past six in the evening if the teacher is at all zealous. Many of them are. As a result French children have all work and no play and learn little because they are given twice as much as their heads can hold. On Thursdays they do get a half day off. We vote for a six hour day for children.

WHO killed Montmartre?
"I," said Poincaré, "I killed Montmartre with my revalorization of the franc."

When the franc was hovering between 40 and 50 to the dollar, Paris was the Mecca of all foreigners who had a little money to spend and could get more value for it there than anywhere else. They never paid much attention to what was really worth seeing, but as soon as night fell they flocked to Montmartre. On every side new cabarets and night restaurants sprang up and literally millions of francs were sunk in entertainment enterprises.

When the franc doubled in value the great majority of foreigners fled, and so Montmartre is now a silent barren waste of patronless tawdry joints, and a goodly number of speculators in human folly are nursing sadly wounded bank accounts.

BERLIN: One hears much talk in Europe of a possible revision of the Dawes plan. Wherever there are Germans, at least, it is pretty sure to crop up in conversation. If one may judge from ap-



No maintenance in 8 years' use-

"In 8 years' use the R-W equipment has required no maintenance except occasional greasing of the switches and removing foundry dust from the runways."

J. L. Wallace, Vice-President Indianapolis Castings Co., says:

"For 8 years we have obtained more efficient and economical material handling by using Richards-Wilcox Over-Way track construction throughout our foundry, where we make grey iron and semi-steel castings for both the automobile industry and general use.

"At present we have approximately 3000 ft. of R-W track construction. The track is of 8 in. I-beam construction, with 2-way and 3-way switches and crossovers.

"The R-W track is used to convey molten metal from cupola to moulding floor for casting; the metal is handled in 1000 lb. bull shanks, from which it is transferred to moulders' ladles for pouring. Finished cast-

ings are also conveyed from the moulding floor to the rattling room each night. Another system of R-W tracks carries all 'sprues' or returns back to the cupolas from the rattling room.

"Before installing R-W Over-Way track construction, we conveyed materials on tracks laid in the floor, which required much more manual handling. Common laborers now do much work that was formerly done by skilled moulders; and with moulders' time rated at \$8 to \$10 a day, the saving in handling cost is considerable.

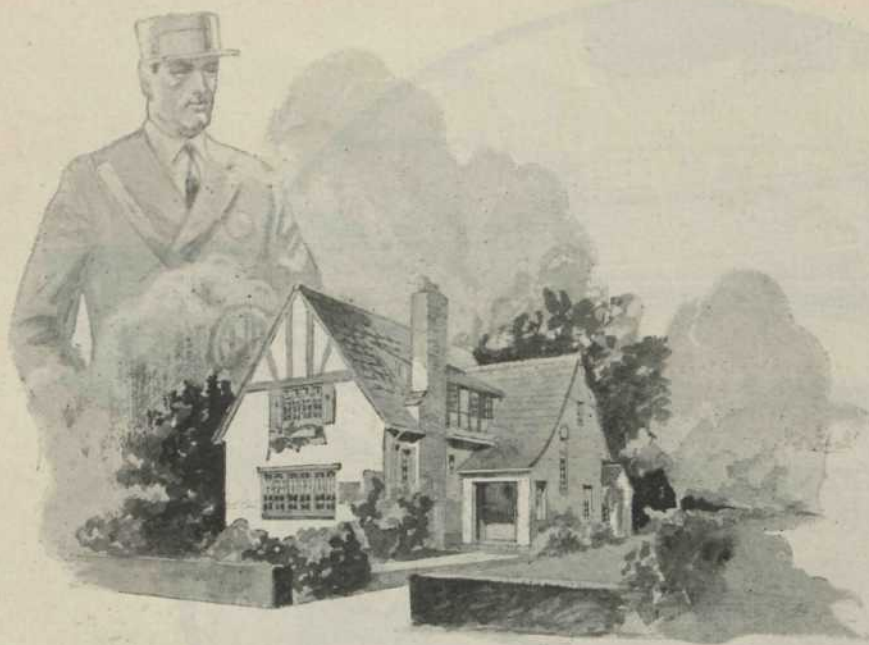
"In 8 years' use the R-W equipment has required no maintenance except occasional greasing of the switches and removing foundry dust from the runways."

You can get a free analysis of your doorway and conveying requirements by calling in one of the R-W Engineers. Just write our nearest branch office.

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"A Hanger for any Door that Slides."

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FOR only a few cents a day he will agree to perform any or all of the following valuable services whenever they are needed:

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- * Pay your rent if fire, water, wind or explosion forces you to seek temporary living quarters.

This Ætna "Watchman" who will thus protect your home, night and day, is

Ætna Combination Residence Insurance

ÆTNA-IZE



*Ask Any Ætna-izer
for full particulars*

ÆTNA CASUALTY AND SURETY COMPANY
AUTOMOBILE INSURANCE COMPANY
of Hartford, Connecticut

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ÆTNA LIFE INSURANCE COMPANY

pearances, Berlin is highly prosperous, so prosperous that it may be described as booming.

Everything is as much on a gold basis as in New York or Chicago. Department stores are filled from morning to night and the people on the streets are well fed, well clothed, well shod and generally doing well. However, throughout the country there are still a million unemployed and perhaps Berlin's boom is due in no small measure to the number of tourists and other foreigners. In the big hotels one hears almost as much English as German spoken.

WINDOW dressing and interior decoration is one of the features of Berlin's great department stores. Opinions may differ as to its being beautiful, but it most certainly is striking.

One store has a kind of temple made of tall gilt pillars placed in a circle and joined at the top by a huge crown effect, the whole surrounding an aviary in which were about twenty pairs of doves. This was the German way of announcing a reduction on brides' dresses and other wedding paraphernalia: white silk stockings, white gloves and so on.

The low tables on which goods for sale are displayed are not of fine wood as in many American department stores, they are quite plain and are covered with cotton material. This lends itself to attractive decoration. The store can be all light blue one day, green the next or can be in plain white calico with some ornament.

One store had its sale counters all dressed in white with bright red butterflies, about forty inches across the wings cut out of red paper and stuck on. Huge red and white butterflies were also hanging from the ceilings.

VIENNA: This gateway of civilization, where for centuries East and West have met to trade, is in a despondent mood. The disruption of the Austro-Hungarian Empire has left it a capital without a country, and although it still has its magnificent medical colleges, its opera and theaters where before the war Europe's best artists were trained, it is but a mere shell of its former self.

I am told there are more apartments to let in Vienna than in all the other capitals of Europe put together. Yet the people are carefree and cheerful, convinced that in some way or other the golden days will return. Austria's seaports were given to Italy, her richest agricultural and industrial regions to Czechoslovakia and Hungary and economists do not think her future very bright unless a large tourist trade can be attracted.

COMING down from Berlin to Vienna one appreciates the comforts of the European sleeper. What corresponds to our Pullman traffic is handled in Europe by two great concerns—the Compagnie Internationale des Wagons Lits and the Mitropa, the great German company.

Sweden has her own sleeping and dining cars which are superior to either of the big concerns. There is much comfort in the single compartments on European railways.

In Germany, if you travel first class, you are alone in your berth, if you are traveling with your wife or friend you can have the doors connecting your two compartments opened and the result is a good sized room with two beds. Second class in Germany or first class on the Wagon-Lits system there are two in a compartment, one sleeping above the other, but in practice, except on lines where the traffic is very heavy one is usually alone.

VIENNA strikes one as the only capital in the world where the horse-drawn public conveyance is still in use. Of course there are taxis and private cars, but in front of the big hotels on the Ring Strasse there still stand the little victorias with two small wiry horses whose driver, perched on a high seat, announces to all and sundry the importance of his fare by frequent crackling of his long whip.

BOLOGNA: When you cross the Italian frontier and an official comes to examine your passport you feel that you are in the land of authority. No one is allowed to leave the train till every body has been accounted for—a long process. The customs officer who follows brooks no discussion and either passes you by or insists upon your luggage being opened at once. His orders are supported by three armed men, and it is amazing to see the quick obedience he gets from any Italians who happen to be returning to their native land.

The whole performance is supervised by a young fascisti lieutenant looking very spic and span in his black shirt, black collar and black tie which contrast with his light grey uniform. His puttees are of black cloth, beautifully wound and his leather is as perfect as if he were an officer in the British Guards.

ROME: It is not fair to say of the Italians of to-day that a change has come over the spirit of their dreams, because they don't dream. They haven't time. There is less unemployment in Italy than in any other country in Europe, and everyone who works has been made to feel that he is working not only for himself and his employer, but for his country and the community at large.

To those who knew Italy under a parliamentary system of Government, the change is almost incredible. Another change is that Rome is now one of the cleanest cities in the world; it will bear comparison with the Hague. Of its former blemishes but one remains: the guides who at St Peter's and elsewhere pester the life out of tourists, charge them outrageous prices for an "audience with the Pope" and otherwise make themselves obnoxious.

In this ancient city of the Caesars one is continually brought face to face with the meeting of the past and the present. At a street corner, I observed a statue of the Blessed Virgin before which a tiny electric light was burning. If the current is cut off or a fuse blows out, pious hands will quickly replace the little oil lamp which has been used since the time of Constantine. You visit the Coliseum by moonlight and look

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down at the dens where the wild beasts were kept which were to tear to pieces the Christians pent up in yonder dungeon. But your reverie is interrupted by the whirr of a motor and an aeroplane overhead.

GENOA: The Italian newspapers of today carry more news than ever in the past. They are free to print all the news they can get but they are not allowed to express any opinion about it worth recording. They may tinkle the cymbals of laudation but criticize they may not. Taken as a whole the Continental press in Europe would be greatly improved if it were what the Italian papers are today, real newspapers. They might have their editorial pages for comment and opinion, a page which has been roughly torn out of the Italian papers, but if the European press kept its news columns for news alone a great step would be taken on the road to Progress.

THE best story picked up in Europe was told by Sir Arthur Balfour.

He was speaking of the wonderful Swedish cooking. It reminded him by contrast, he said, with the reply of a man who was asked by his cook for a reference. She wanted it for a Bishop, who was considering her as a plain cook.

The man wrote: "My dear Bishop: Agnes is very plain and as to her cooking I am sure she will meet all Biblical requirements. You will find her meats are either a burnt offering or a bloody sacrifice."

OUR artist, Charles Dunn, who, like all good artists is summering in Europe, sends us this picture from an ancient manuscript in the British Museum.



He explains that it represents an early salesman of subscriptions to NATION'S BUSINESS approaching a prospect. The lean-shanked individual in the background with the derby on top of his head and the cane was the then-editor of the magazine hanging back in the hope that he might share in the subscription price. *M.T.*



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The best way to get the facts on oil heat is to talk with friends and neighbors who are already enjoying oil heated homes.

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Besides visiting an oil heated home, you will find it helpful to read the Oil Heating Institute's book entitled "Oil Heating—The Modern Miracle of Comfort."

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N-9

The Straight-Out Diplomacy of Business

BY MERLE THORPE

BUSINESS has its diplomacy no less than government, and it is not always a "dollar diplomacy." It is a diplomacy that is able to rise above the dollar; to put above mere money-making the best interests of the country.

This diplomacy of business has reached no finer heights, has found no clearer statement than in the answer of Lewis E. Pierson, president of the United States Chamber of Commerce, to the proposal that the Chamber establish some form of business clearing house between American business and the soviet regime which was made by Ivy L. Lee, whose business is securing publicity for clients and advising them on public relations.

The best message I can give this month to the readers of NATION'S BUSINESS is Mr. Pierson's reply to Mr. Lee, reprinted below:

We have received your letter suggesting that "the Chamber of Commerce of the United States establish a Bureau in Moscow for the purpose of advising both American business and the Russian government regarding the development of business with the American people."

The Executive Committee of the National Chamber instructs me to advise you that in its opinion nothing but propaganda harmful to our country would result from such a move.

Your very full letter clearly states that all Russian trade, import and export, is not with individuals as in countries where liberty prevails but is under the absolute, autocratic control of a small communistic group. Since our own Government has wisely refused to recognize the soviet regime, your suggestion amounts to asking the representatives of American business in effect to repudiate the position of the representatives of the American people.

The National Chamber by official action of its member organizations unanimously endorses the action of our Government. And we resent the implication in your letter that for commercial gain American business recognize, even to this extent, the soviet regime which by the pronouncements of its leaders and by its deeds has proved to be one of continuous tyranny, bad faith, confiscation of property, and denial of individual rights.

We do not believe that it is possible to bring the Russian people back to normal conditions through trade relations as long as they are under the complete control of such insincere, unrepentant and misguided rulers as those who in the last ten years have degraded the character and lowered the living standards of 140 millions of people.

It is hardly necessary to dwell on the sym-

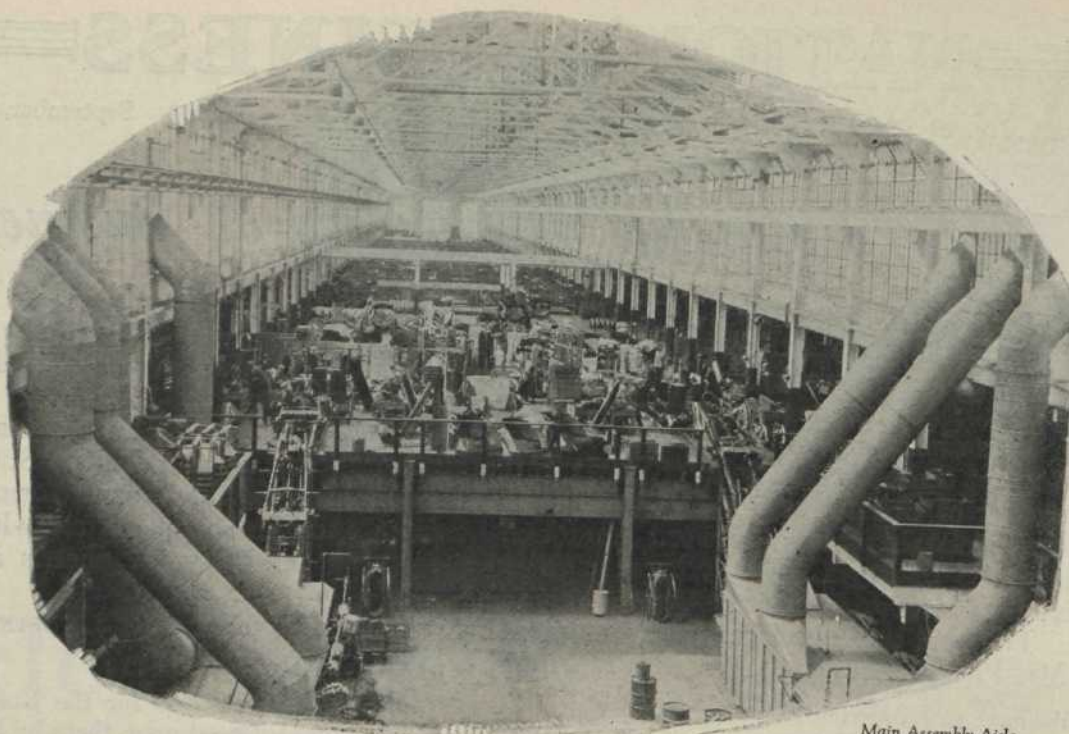
pathy of American business for the Russian people in the trials forced upon them by their present rulers. Our Government, our business men, in fact our whole people, gave practical expression of that sympathy in their aid and service in saving 20 million of Russian people from starvation under the soviet regime.

Nor can the National Chamber forget the recent unfortunate experiences of other countries in dealing with the soviets whose every effort, short of open war, has been to overthrow the governments of those countries. It cannot, therefore, ask American business to trade with a political group, whose system is that of selling for cash or its equivalent and buying with little cash and large credit in order to provide funds to finance propaganda designed to overturn existing governments and to maintain its grip on helpless millions of its own people.

Trade relations prosper only when founded on mutual good faith and integrity and no such foundation exists today in the whole soviet record of repudiation, of conflicting and confiscatory edicts, of bad faith, and misrepresentations in international relations and in the treatment of their own people.

The National Chamber is heartily in accord with the policy of the American Government and it is our belief that no good and much harm will come from suggestions such as yours based upon either a lack of knowledge of the facts or a misjudgment of the ethics of American business.

The motto of the National Chamber is that "if it is not for the public good it is not for the good of business." American business is certain that recognition of the soviet regime, however skilfully disguised, is not for the public good.



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An Answer to Mussolini's Challenge

THAT picturesque and colorful personality, Premier Mussolini, made a most extraordinary

By JULIUS H. BARNES

son not only with Italy under that regime but as well with any other people in the world. The security of

speech in the Italian Parliament not long ago. With a background of great achievement in rebuilding the war-strained fortunes of Italy out of Socialistic chaos, he reviewed in detail the accomplishments of his benevolent despotism and challenged the world to produce an equal progress in any other land. Moreover, he proclaimed, in tones of dominant confidence, a philosophy of government that directly challenges the conception on which rests our American commonwealth.

We who are living in this twentieth century are seeing experiments in government such as the world has perhaps not witnessed since the French and American revolutions.

Not only in Italy is the challenge being made to the democracy of the United States. In far-off China we can only guess at the tremendous upheavals that are going on and wonder what form a government may yet take. We can see in Russia, "as through a glass, darkly," a tremendous experiment in communism. We see in Great Britain an attempt to deal by legislation with the question of when a strike is justified and when not. Great Britain, at least, is making an effort to bring about economic reforms through the action of elected representatives.

BUT from Great Britain we turn back to our own country with a renewed hope that we can accomplish here a settlement of economic questions and industrial disputes by the reasoned intelligence of men meeting together outside of government control.

I should be the last to say that strikes are to be desired, but I can at least raise this question: Do we want to see a government department, or departments, armed with full power to settle industrial disputes or to make economic rulings? There are those who defend the Mussolini regime on the theory that the end justifies the means. But is it not better to blunder now and then so long as the blunder be made by free people, working freely together, than to escape that blunder by the edict of government?

America can meet, point for point, in the realm of material achievement, this challenge of Mussolini, by compari-

public order, the improvement in public health, the welfare of the individual home, the expansion of trade and commerce in industrial peace, a rise in national earnings, investments and life insurance—on all these points America can show a superior progress under its own conception of the self-government of a free people.

In the intangible sphere of human emotion, in the quickening of high ideals, in the development of a spirit of sacrifice and of patriotic endeavor, Mussolini has done much for Italy. The splendid tradition of its long history, reaching back to early Rome, has been used by him to fix the imagination of youth as few individuals in the world's history have been able to do. Only time will show whether in the compelling force of an imposed autocracy, no matter how benevolent or idealistic, there has been taken from a great people something of the individual character and individual conviction which makes a firmer foundation for a modern state.

SO ALSO America, the new land, writing its own pages of history and tradition, day by day, achieving the highest standard of individual possession and enjoyment in an atmosphere of liberty of conscience and expression, has much also to enlist the loyalty and awaken the highest aspirations of a people. The importance to America is the direct challenge in Mussolini's code to the principles of constitutional government,

on which rests the whole of our social structure.

His theories challenge as well our whole conception of the opportunities and responsibilities of modern business. If democracy, as he contends, fails to possess the qualities which lend themselves to

national advancement, if the authority of the state frankly derides the capacity of a people for political self-government, how then can business itself claim the capacity to effect its own correctives and to rule its own house?

With Mussolini, government is itself the arbiter and director of private enterprise, even though he recognizes that the driving power of individual initiative must in some way be enlisted to conduct business enterprise outside entirely of the stifling atmosphere of state bureaucracy. He pre-



Benito Mussolini, whose theories "challenge our whole conception of the opportunities and responsibilities of modern business"

scribes the rules of labor. He directs the practices of employers. He leaves little or nothing to individual judgment, and he has no belief whatever in that faulty but aspiring human judgment which learns by its own failures and strengthens itself thus for new endeavor.

More seriously yet, government with him is not, as with us, the orderly expressed will of a majority of its citizens. He derides the idea of responsible government expressed through the individual vote of each citizen.

"Falsehood of Suffrage"

"**T**ODAY, May twenty-sixth," he says, "we solemnly bury the falsehood of universal democratic suffrage. What is this universal suffrage? We have seen it in action. Out of 11,000,000 citizens who had the right to vote, 6,000,000 did not bother to do it. What value had their votes, considering that the only qualification for suffrage was to have reached twenty-one years of age?"

"This regime," he goes on, "is founded on a party of 1,000,000 persons and is founded, moreover, on another million youths and on millions upon millions of Italians who are gradually being perfected, selected and organized. No other government in any part of the world ever had a foundation as vast or as deep as the present Italian government."

Rather a large claim, indeed, for a political regime measuring its test of actual trial by less than five years, marked as its achievements may appear to be.

Certainly, if the gauge thus thrown is to be lifted by any other people, the challenge can be most fittingly accepted by this new nation, just celebrating its one hundred fifty years of national freedom, tested by the most desperate civil war in history, reunited in political concept, possessed of unchallenged leadership in the material progress of the world. Moreover, if this people has faith in its political constitution, with its guaranties of liberty, of conscience, of discussion, of religion, preserving thus the divine stimulus of fair play and equal opportunity, then it becomes a solemn obligation of every citizen to weigh the claims thus advanced of a political structure that claims rightfully to displace our own.

Where Business Enters

HERE is the challenge and the opportunity for American political and business philosophy to justify itself by the measure of comparison. In that justification, modern business must recognize its responsibility and play its part.

Modern industry has become so complex that it intertwines with government itself at a score of points. Modern industry claims, and with justice, that its standards of ethics rise constantly; that it is learning to govern itself without rigid and imposed legislation; that its great service through opportunity and employment in building higher the security of the individual home is the surest foundation for government itself; that confidence rests most securely on informed public opinion, expressed through the orderly selection by ballot of legislators and public servants, and with the widest latitude of individual conscience and

conviction. This is not the concept of Mussolini.

In the growth of organized society, we had hoped and felt the world was passing that era in which government rested in the irresponsible hands of a single ruler, the accident of heredity, or the product of violence of conquest. The great laboratory of world experiment has discarded the theory of rulers by divine right. Limited or representative monarchies have become only compromises in an effort to cushion the tradition and practices of the past with the responsibilities of universal citizenship.

Communism, under actual trial today in the form of a minority tyranny over 140 million people in Russia, has, we feel, discredited itself and will also sooner or later disappear, by evolution or revolution. So also Socialism, as a theory of government based on the Marxian dogma of an irrepressible conflict between capital and labor, achieves only harm and inflicts only wrong and injury when it blinds its eyes to the proof provided by America that, in its day of equal opportunity and stimulated individual effort, there is no dividing line, and that the worker of today may also be a present and future capitalist as well.

The World's Political Trial

THE real trial in social and political theory in the world today is between the American theory of a free government and a free people, based on the universal vote—a theory justified by each year of superior progress in America—and the new autocracy of Mussolini.

The test of stability in any government is its effectiveness in furthering the welfare of its people. So we may measure the service of America to its people, with its theory of universal citizenship, against the claims of accomplishment by Fascist dictatorship, as presented in Mussolini's speech.

Mussolini speaks first of public health with proper pride, shows a decrease in disease, outlines the steps taken by his government for the protection of its people. All good, but still marching at a slower pace than the Health Service of free America. What America has done to reduce the hazards of sickness and to postpone individual deaths is shown most convincingly in the field of life insurance. For example, the mortality tables of twenty years ago should have shown a drain on life insurance companies for terminated lives in 1924 of \$500,000,000, whereas actually the death loss was only \$277,000,000. Extended lives, safeguarded by progressive sanitation, hygiene, and medical care, translate their service through the figures of material savings into the myriad happinesses of safeguarded homes.

Good From Private Sources

ACRITIC might point out, and with some justice, that no small part of our advance in public health has been due to government action. True, but very much of it is due to private enterprise of a great body of medical men working outside of government, who have wrought great things and have given to the public the benefits of research which might have been translated into private gain. One turns instinctively

to the Rockefeller Institution as an instance of private capital devoted to public good.

Mussolini reviews his control of the drink problem. "We have closed," he says, "25,000 of 187,000 saloons." "Cheap retailers of ruinous happiness," he calls them. Well, America has closed more than that number. Moreover, as a free people we debate warmly, sometimes even with violence, whether this progress could not have been brought about better by the spread of public education in temperance and abstinence rather than by the compulsion of law. At least opposing views, with unshackled voice, debate the question freely in the public press. Perhaps almost too much.

Quality or Quantity of Men?

MUSSOLINI pleads for an increase in population, boasts of the imposed tax on bachelors, and threatens a tax on barren marriages as an inducement for more offspring. It is just possible we have in America a more wholesome conception in believing in quality rather than quantity of new citizens. Perhaps American standards are more enlightened when they ask such balance between size of family and economic position that children may be assured of the birthright of education and even of the opportunity for culture, and that they may thus make more effective individual citizens of the state.

Mussolini then describes the municipal reforms under Fascism and the cool abolition of elected mayors for all municipalities of Italy and their replacement by official podestas of the Fascist Party. Here America may be partly on the defensive, and certainly many of us will admit that an improvement in occasional mayors could be secured in some cities under Mussolini's system. But it is certain also that there would be thus a certain loss in civic fiber, that even a misused opportunity of choice may be better than no opportunity.

Where the Autocrat Shines

THEN follows Mussolini's survey of social order and public safety, and here the record is made most convincing. The suppression of the Blackhand activities, that for generations have disgraced parts of Italy, makes a chapter of honor. His tribute to the character and virtues of the police force of Italy, a list of honors and medals, the instances of heroism and of death in safety service—these show that public safety calls into play in Italy the same high qualities of individual courage that are displayed on every hand in American police and fire service.

Mussolini expresses also a very proper satisfaction at what has been done in revaluing the lira and its advance to relative stabilization. He commends the Italian people for five years of heroic sacrifice in this endeavor, and it is a very proper achievement to proclaim. But here, again, America has also a chapter of national honor in honest public finance.

Added to the sturdy defense of the universal gold standard against the assaults of immoral and dishonest currencies which followed the armistice, America has shown restraint and good judgment in using its vast accumulation of gold metal, not for

its own aggrandisement, not for the inflation of prices at home into easy and deceptive prosperity, but for the rebuilding of honest and stable currencies abroad, reflecting into enlarged employment and the security of thrift and savings.

Mussolini embarks in a defense of Fascist violence which is not so convincing. There is much comparison with the terrors of the French revolution, with advantageous showing to the restraint and mildness of Fascist methods.

That the world has moved a whole century of human progress since the French revolution first blindly groped for human rights does not deter him from comparing his methods of today with those of a century ago. He advances the same justification for violence in establishing Fascist dominance that every revolutionary government in history has always pleaded, that of self-defense.

"Speak Not of Fascist Terror"

YOU whitened sepulchres full of fetid elements, speak not of Fascist terror when the Fascist revolution is doing nothing but its duty when it defends itself." Mussolini leaves no hope that under his authority will there ever be permitted a day of free discussion of public policies in Italy. "Therefore, let nobody hope that after this speech he will see anti-Fascist newspapers appearing again or that we shall permit anti-Fascist groups to form again. Never!" Again he says, "in Italy there is room only for the Fascisti, and for non-Fascists, provided they are exemplary and upright citizens. There is no room for anti-Fascists."

No doubt in America we have a few Republicans who would like to see these principles applied to the Democrats, or vice versa, but would it tend to establish an intelligent, self-reliant, and self-respecting commonwealth?

Perhaps in the great laboratory of human experiment America may be called upon to justify, by the evidence of public and private ideals as well as the material progress of its people, its own conception of the principles of self-government, which thus conflict so sharply with the concepts of Mussolini.

If there is to be a period of trial and the demonstration of experience, then the business community of America should understand the challenge that exists today between these two systems, and resolve to justify the theories of freedom on which the American republic has rested for its century and a half.

There is much of idealism in American business. Its sturdy defense of the field of private enterprise against the encroachment of government bureaucracy is not actuated by the defense of private gain, but because business judgment visions that thus is preserved a field of opportunity for fresh waves of American youth, aspiring for something better than the common lot.

The Path America Takes

AMERICA believes profoundly that the hope of the future lies neither in the altruism of socialist conception that the state offer its care to every individual citizen, regardless of his merits, nor in the concept of political autocracy which makes decisions for the individual and enforces

them with the strong arm of authority. Neither of these can equal in either the development of individual character or the stability of governmental institutions the political philosophy that asks only an equal chance, that government shall hold the scales fairly and allow each citizen, by his own effort, ability and character, to build his own niche in the social structure. American business believes that the highest type of citizenship and the most lasting form of government develop under the right to make its own mistakes, to repent, to correct, and to rise from each successive failure to ultimate achievement.

We Will Keep Our Own Ideas

PEOPLES differ in temperament and character; peoples differ in literacy and in tradition. Differing peoples respond to different motives. Isn't it possible for America to recognize the very real achievements of Mussolini and his party and to do this without surrendering its own profound faith that the self-government of individuals and of peoples is, after all, the only safe and lasting basis?

Mussolini declares that "Armies which have won wars have always been armies which on their banners carried an idea. And we carry the idea of order, obedience and discipline against the suicidal idea of disorder, undiscipline and irresponsibility."

Is there nothing to fix the American imagination as well in its leadership of human progress, as that the American conception is of literate, informed, free people, following also its own banners of self-restraint, self-discipline and equal opportunity?



The raw material of Fascism. A salute to Il Duce as he closes an address from a nearby balcony

What Is the Public Right In Radio?

AN ENTIRELY new avenue of public regulation was opened when Congress passed the radio law.

The amazing growth of the radio art, with new discoveries constantly developing new wonders, gives rise to new problems and attracts the regulators from many angles. Not only does this law border, but it overlaps, the jurisdiction established over interstate commerce forty years ago.

Whatever the future scope of radio law may be, the act as it stands now will have to be rewritten soon to clarify its meaning, for Senator Dill, of Washington, one of its co-authors, said, last February, it was "admittedly not perfect, admittedly not complete, but at least a basic law." He told the Senate it could be amended just as Congress amended the Interstate Commerce Act, to "give added powers as new needs develop."

No human activity in the United States was ever "vested with a public interest" quicker than radio, probably none other ever grew so fast. Older industries have thus far escaped, but radio was given congressional attention as soon as it was six years old and has the promise of much more in the future.

Radio, An Infant Prodigy

THIS infant prodigy was little heard of until President Harding called attention to it in his inaugural speech. From almost nothing in 1921, the industry now is worth upwards of two billion dollars in broadcasting stations and receiving sets, with potential listeners in the United States alone numbering more than thirty million.

Nothing illustrates the growing possibilities of radio more emphatically than the perfecting of television. Assurance of its early practical use has been given since Congress wrote the radio law. One may conceive that television will grow to be as popular as audition; that entertainment through the eye, by air, is no more impossible than entertainment through the ear by air.

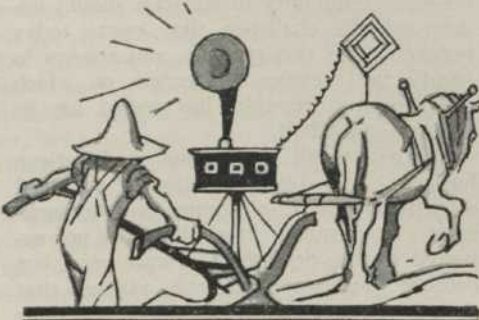
The living, moving picture will be carried to the homes of the cities and farms. Distant baseball games, parades, waving flags and colored uniforms, political conventions, and prize fights from the ring-

By NIXON PLUMMER

Cartoons by Charles Forbell

side will unfold their action to distant millions by air.

Now, Congress has never tried to regulate baseball, parades or political conventions. Prize fights have been put in a different class, except those congressmen



"Some farmers say they get better crops, due to information picked out of the air"

themselves stage. Prize-fight films have been barred from transportation across state lines in two laws—one for the mails and one for the express cars.

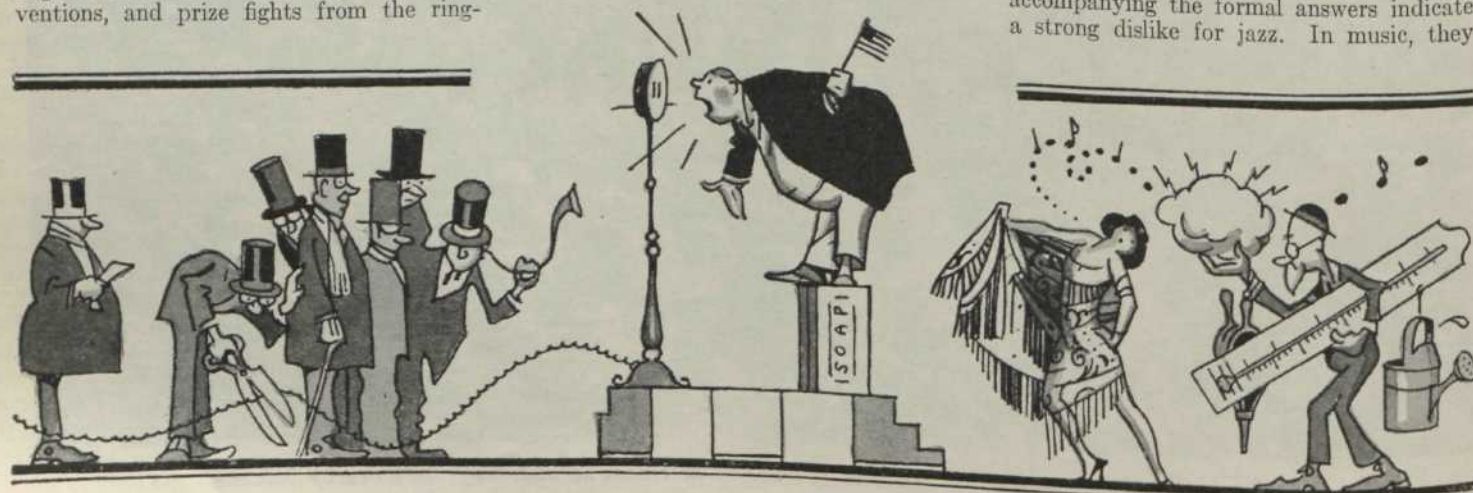
No one has ever seriously tried to make Congress declare a public interest was vested in either parades or political conventions. Regulation of baseball has been suggested, but prize-fight films were early marked for slaughter.

Prize Fights and Free Speech

THE radio law has given prize fights a status akin to that of free speech. The same is true of horse racing, which has been a subject of state, but not of federal, regulation.

Censorship was specifically and emphatically declared by Congress not to be within the province of the Federal Radio Commission, the only exception being as to "obscene, indecent or profane language."

Who shall speak, or sing, or play, before the country's microphones? How far shall regulation go?



"Nothing in this act," said Congress, "shall be understood or construed to give the licensing authority the power of censorship over the radio communications or signals transmitted by any radio station, and no regulation or condition shall be promulgated or fixed by the licensing authority which shall interfere with the right of free speech by means of radio communications."

There could be no censorship of prize fights by television, therefore, because the law says, in giving its definitions:

"The expression 'radio communication' or 'radio communications' wherever used in this act means any intelligence, message, signal, power, pictures, or communication of any nature transferred by electrical energy from one point to another without the aid of any wire connecting the points from and at which the electrical energy is sent or received, and any system by means of which such transfer of energy is effected."

Agitation For Censorship

CENSORSHIP was advocated both directly and indirectly when the radio law was debated. The agitation did not stop then, but has continued. At the hearings conducted by the Radio Commission as soon as it was organized, appeals were made for it to determine the character of service that could be rendered by broadcasting stations. Such an undertaking would differ little from censorship, and the Commission so construed it. The only recourse, then, of the advocates of regulation of the character of service is Congress, and it rarely turns a deaf ear to those who want laws.

First of all, let's take the farmers. Divided though they be, they are two to one against jazz—and that is not as trivial a statement as it sounds.

No longer ago than last spring the Department of Agriculture completed a survey of radio receiving sets on farms and sent questionnaires to ten thousand farm radio owners to discover what they desired by air.

"These replies show," said an analysis published by the department, "that American farmers prefer radio talk to music, nearly two to one. Voluntary comments accompanying the formal answers indicate a strong dislike for jazz. In music, they

want old-time airs and classical music. Aside from educational farm programs, weather and market reports, political talks are evidently popular, and more current news-programs are in demand.

"Farmers are not using the radio merely for entertainment. The day's work is now planned according to the weather forecasts sent out by the Weather Bureau and received by radio much more quickly than was formerly possible. Market reports issued by the Federal Bureau of Agricultural Economics are eagerly followed and numbers of farmers report definite savings in dollars and cents as a result of this service."

Farmers were found to be interested also in educational programs, especially those relating to farming. Some stockmen said they were getting better pig crops because of information they picked out of the air, others were learning more about poultry, and still others were ascertaining better ways to market their livestock. Some protested against direct advertising, and all had ideas for improving the service, showing how radio is vested with interest for the great agricultural section of American life. The department found that on April 1, 1927, there were 1,252,126 farms equipped with receiving sets, an increase of 126 per cent since July, 1925. For the whole country the Census Bureau reported at the end of 1925 that there were 2,180,622 receiving sets.

What Farmers Have to Say

THAT is where the farmer comes into the radio regulative problem with a very pertinent interest in "character of service," whether it be censorship or not. Farmers have already notified the Radio Commission, individually and severally, of their concern about what is to be done respecting their broadcasting stations.

Nor do farmers constitute the only group—though they may be parts of other groups—that have appealed for regulation of what is sent on the air. Educators and preachers and laymen have given notice of their interest. Educators have asked for special time for education; church spokesmen have asked for special time for religious services, and some want to ban Sunday broadcasting by all but the churches. Only a law by Congress could order regulation of this sort, and one can imagine the shout of protest that

would rend the air if it were attempted to enact etherial "blue laws." Efforts at blue law legislation have never been foreign to the United States—it doesn't have to be attempted in the National Congress to raise bitter opposition. The country is familiar with both state and national regulation of that sort.

The lawmakers made no mistake—or did they?—when they declared for the principle of equality so far as treatment of themselves in the ether is concerned.

"If any licensee," they wrote, "shall permit any person who is a legally qualified candidate for any public office to use a broadcasting station, he shall afford equal opportunities to all other such candidates for that office in the use of such broadcasting station, and the licensing authority shall make rules and regulations to carry this provision into effect."

Equal Rights For Politicians

CONGRESS safeguarded this by forbidding censorship of what candidates said and also by stating that no obligation was imposed upon any licensee to allow any candidate to use its station. Politicians will find that there are others who will want "equal opportunities" on the air, particularly when some widely controversial question may arise, or individuals and groups think they have been discriminated against, in the domain of radio broadcasting.

Provision was made in this law for redress in event of discrimination or of monopoly, but that provision was one of the subjects of longest debate when the bill was in Congress. Clarification by future legislation, it was then declared, would be imperative. Nothing thus far indicates the truth of the charge that this radio law was a measure in behalf of monopoly, or that the Radio Commission has attempted to foster anything of the sort. But Congress was compelled to recognize the possibilities that monopoly in radio might be

eral Trade Commissions would have to investigate charges involving, not only discriminations and monopolization, but overcharges, lack of service or failure of service, before the Radio Commission could consider them and that the latter could then reverse the decisions of either of the other regulatory agencies.

Federal Control of Rates

EFFORTS have been made to have service charges assessed against listeners in the United States as is the practice in other countries. In fact, entire federal jurisdiction over radio rates, whatever their character, has been proposed. This would be a form of control through which an indirect censorship could be exercised. Such proposals were turned down by Congress, Senator Dill being one of the opponents. He declared the rapid progress of radio in the United States had been due to the "freedom of the air" and free play for individual initiative and ingenuity.

Such questions as rates and monopolies and "traffic" routed by radio channels, or highways, indicate but partially the manner in which the field of radio regula-



extended, if any existed, and the law was made applicable to such a situation, just as heretofore the law has stepped in when there were fights in other industries.

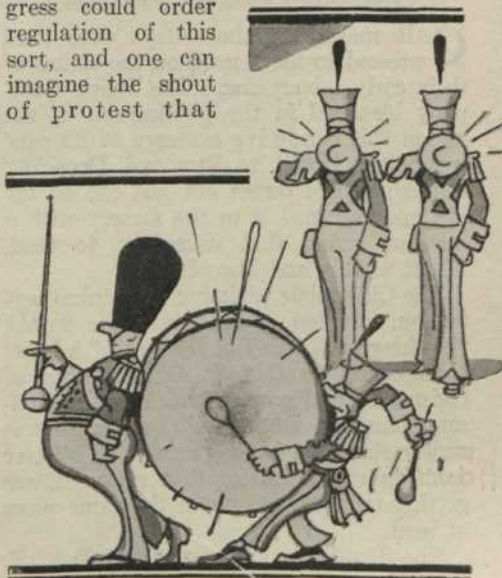
Senator Pittman, of Nevada, told the Senate that the law was not clear on either discrimination or monopoly. He said one with a grievance could go to any one of three commissions—Radio, Interstate Commerce, or Federal Trade—in seeking relief. He declared that either the Interstate Commerce or Fed-

tion borders that of interstate commerce.

The radio law in the first place took the Interstate Commerce Act as a model. The Radio Commission started with the same number of Commissioners as the Interstate Commerce Commission—five.

The Interstate Commerce Commission has more than doubled its original membership, now having eleven. The number of employees, eleven when it started, is now nearly nineteen hundred. If the bill carrying appropriations for the Radio Commission had not failed, that body would have had a more auspicious beginning in the size of its clerical personnel.

The Interstate Commerce Act has been amended in eighty-five important particulars, but that is not the only act affecting



the work of the Interstate Commerce Commission. Congress has added new functions on whatever bill happened to be most convenient, or by separate statute. In all thirty-five laws of a supplemental character have been written, in addition to the duties of regulating interstate commerce, and if the contents of these laws were counted as amendments they would run into hundreds.

The original Interstate Commerce Act applied only to carriers wholly by rail, or partly by rail and water. It was soon extended to pipe lines. Then it gradually took in telegraphs, telephones and cables, express companies, sleeping car companies, bridges and ferries—and even radio apparatus. The Interstate Commerce Commission functions as to rates, rebates, valuation and consolidation of the railroads. The consolidation policy has not yet been completed by Congress. A measure for this purpose was pending when it adjourned in March; and there was another to redetermine the regional distribution of the Commission.

There is now looming an effort to have this agency take control of the motor vehicle transportation of the United States.

Interstate commerce regulation of this sort was the pattern on which the regulation of radio was cut, with the frills, flounces and embroideries to come later.

Many said the radio law enforcement properly could have been assigned to the Interstate Commerce Commission which al-

ready had jurisdiction over "the transmission of intelligence by wire or wireless." Doubtless this would have been done but for the fact that the first radio regulation, which was of a limited character, applied to ships under the jurisdiction of the Bureau of Navigation in the Department of Commerce.

Radio has remained in that department ever since, and there could be no more striking illustration of how bureaus and independent offices get deeply rooted at Washington than the evolution of the Federal Radio Commission from that small beginning.

Regulation and the Radio

INTERSTATE regulation of commerce has become detailed and complete, affecting hours of service, safety of equipment, adequate facilities, extensions, production in hearings of books, papers and records. Every common carrier must designate an agent in Washington "upon whom service of all notices and processes may be made for and on behalf of said common carrier in any proceeding or suit" before the Interstate Commerce Commission.

The Radio Commission, however, promises to demand congressional attention itself before any other amendment is considered. The law gave it administrative functions for only one year and after that transferred them to the Secretary of Commerce, the Commission becoming an appel-

late body. Complaints were raised in Congress that this would be divided control. The plan was ridiculed, but it was kept because it was the only way the House and Senate could compromise their views at the time. Senator Dill himself believed the Commission would become permanent and sit at all times, while Senator Watson, of Indiana, declared for "a perpetual commission with plenary power."

When the Seventieth Congress gets under way the Commission will be nearing the end of its first year. During that interval it will have had time, it is believed, to attend only to the chaos in the air, by establishing the status of existing stations. It has been intimated, too, that before this is completed there will be new channels available through which to broadcast, which would make a readjustment necessary in that first phase of regulation.

Whether the Radio Commission continues in its present form or another, radio regulation seems here to stay permanently in some fashion. Extension of the Commission as a body of original jurisdiction for at least another year is a possibility. A big bureau to embrace all the branches of the federal service that conduct radio activities has been considered. Some have proposed a Department of Communications with jurisdiction over interstate commerce, radio and the wires.

Whatever is done, the radio industry can now regard itself in a new light.

The Day When the Auto Was a Joke

This and other articles to follow on Pioneer Men and Motors of the Industry might literally be called an "auto" biography

By CHRIS BATCHELDER

BUSINESS writers have worn out their adjectives in talking about the automobile industry. A business that in thirty years has gone from four cars to four million cars a year, and that put the value of its product at the top of American manufacturing, ahead of meat packing, steel making and petroleum refining can stand a lot of adjectives.

Looking back at this thirty-year-old business, it is hard to realize that it had its childhood, that the men who now are at the top of the industrial heap once were struggling to keep from being smothered at the bottom.

The real story of the automobile is a story of men—men who saw not a few rich men riding in \$10,000 cars but a whole world on rubber tires. And not even these men always saw how far they were to go.

Inflation Worry In 1911

IN 1911, leading car manufacturers of this country met at New York and were discussing plans for the coming year. The previous two years had shown substantial increases in production, and there was a little note of worry over inflation in the industry.

To learn the worst, it was agreed that the representative of each company should write his intended output for the year on a piece of paper, and that the total of all

should be announced to those present. The computation was made and led to the disquieting discovery that 300,000 cars were planned for that year!

Most of the manufacturers agreed that such an unprecedented production boded disaster. But there was one who differed. William C. Durant, then president of the Buick Motor Company, rose and said, "Gentlemen, you do not realize the wealth of this country. I look forward to the day when we will produce and sell 500,000 cars a year." That prediction startled even those whose faith in the industry was unbounded.

But only three years later the industry exceeded by 70,000 the "ridiculous" estimate set by Durant. Following the successful attainment of the half-million mark, that gentleman was asked again how far he thought the market would extend. Then, with the warning that he did not wish to be quoted for fear of being considered crazy, he confided that some day he expected one million cars a year to be made in America. But that same industry produced 4,500,000 vehicles last year.

Of that mythical "saturation point," Edward S. Jordan, president of the Jordan Motor Car Company, has said: "The satu-

ration point will be reached when every person in the world owns a motor car and no car ever wears out."

He was serious about it.

But to advance even as far as we have on the road to that mythical saturation point called for patience and a sense of humor, as well as the energy and vision that are needed to make any enterprise great.

The "Built to Run" Anecdote

CAR makers in those days were hard pressed to make good on the claims of their early advertising. The Buick Company blazoned in the publications of the nation this conclusive evidence of its cars' reliability: "Built to Run and Does It," whereupon one owner cut out one of the ads and returned it to the factory with a question mark that caused it to read, "Built to Run and Does It?"

The Oldsmobile, claiming mechanical perfection, adopted as its slogan the words, "Nothing to Watch But the Road," a boast championed by Roy D. Chapin, then of Oldsmobile and now chairman of the Hudson Company. But Chapin's assurance was rudely shattered by the receipt of a letter from an owner stating that everyone was getting tired of looking at the same piece of road.

The Brush car, the creation of A. P.

Brush, noted inventor, was an early attempt to give the public a low-priced car. It possessed only one cylinder, and wood played a surprising part in its construction. The company advertised that its car had "wooden wheels, a wooden axle and a wooden frame." But one critic called attention to the important but unadvertised fact that "it wooden run."

From the very earliest days style has been an important factor in the automobile business. For some time manufacturers vied with each other to produce articles of elegance. Finally, Haynes carried in its advertising this statement, "The car with the Most Beautiful Lines." Imagine the consternation at the factory when one owner confided that the most beautiful line he had ever seen in a Haynes was the towing line.

Great engineers of the time, successful in other lines of mechanical endeavor, found themselves immediately under criticism upon their entrance into the fad of manufacturing automobiles. Ransom E. Olds, after leaving Oldsmobile to organize the Reo Motor Car Company, designed an automobile for Reo that was considered an engineering masterpiece. In presenting the new car to the public, Reo officials called attention to the fact that the Reo was bound to be a great car, for had it not been designed by R. E. Olds, who had just completed a great stationary engine for the city of Detroit? Critics were not long in making the comment that Mr. Olds now also had to his credit the greatest stationary automobile ever built.

The First Car to Run

IN America, the first practical car that really ran was constructed by Charles E. Duryea in 1892. The Duryea Buggyaut was built in the loft of a barn at Springfield, Mass. And, as if to prophecy the future potential destructiveness of the automobile in traffic, this first car, when cranked for its initial trial, plunged through the wall of the barn, all but wrecking itself at the very start. To the inventor, however, the crash was a joy, for it showed that his new vehicle would "move itself."

Other early experimenters in the field of the automobile were Elwood Haynes, who produced the Haynes; Henry Ford, whose car has ever since borne his name; George Selden, who claimed the basic patents on the automobile; and Dave Buick, for whom the Buick car was named. Others were

Benjamin Briscoe and Jonathan D. Maxwell of Maxwell-Briscoe fame, H. H. Franklin, and Rollin H. White. Franklin and White still remain trademarks in the business.

This Young Man's Business

MOST of those men were working to perfect automobiles thirty years ago, and of those named all but Haynes are alive today. Those very men whose laboratory experiments paved the way for the industry in America have lived to see it grow to be the greatest manufacturing industry in the country.

It has been a young man's business.



A jaunty touring car of 1904, when a ten-mile drive was still a real adventure

With the development of the motor car, the business world saw men of thirty and thirty-five heading big business corporations.

Roy D. Chapin, as a boy only a few years out of the University of Michigan, while working with the Oldsmobile Company, succeeded in interesting E. R. Thomas, the capitalist, in the organization of the Thomas-Detroit Motor Company, to be headed by Chapin and Howard Coffin, a young engineer. Then, only a few years later, Chapin organized the Hudson Motor Car Company, of which he has ever since been a guiding spirit.

A. P. Brush, while still a youth, helped to design the car destined to become the Cadillac, and for some time later guided the engineering policies of the company.

Automobile inventors were, for the most part, poor men whose earlier efforts were marked by the struggle that sometimes seems to be a prerequisite of success.

Henry Ford, while in the employ of a Detroit electric light company, worked on his horseless carriage in his spare time, and, after demonstrating the practicability of his

vehicle, succeeded in organizing the Detroit Automobile Company, accepting for his services \$100 a month.

George Selden, who filed the first patents on the automobile, tried unsuccessfully for years to interest capitalists in a project to manufacture his vehicle. His enthusiasm and his glowing prediction of the automobile's future led many to regard him as unbalanced.

Selden, whose patent was the stormy center of the industry for many years, never realized in a monetary sense the benefits he felt were due him, and he died a disillusioned man. His patent, applied for in 1879 and granted in 1895, claimed to cover

the use of the internal-combustion engine in a self-propelled vehicle with a disconnecting clutch mechanism.

Henry Ford led the fight against the validity of the patent, and the litigation lasted eight years. The testimony filled thirty-six volumes. Although first upholding Selden, the final decision ruled that Ford's engine did not infringe.

Both Duryea and Elwood Haynes have claimed the credit of producing the first real automobile.

Haynes, King and Ford were working at the same time, the early 90's, along similar lines, but it was in 1894 that there was consummated the sale that opened the way to future business. In

that year Alexander Winton sold the first automobile to a Pennsylvania engineer named Robert Allison.

Automobile companies today are largely concerns of big capitalization, but most of them, with the exception of a few recently organized companies, grew from modest proportions. Many companies now selling millions of dollars' worth of cars a year began with capital of \$50,000 or less.

Henry Ford's Modest Start

THE Detroit Automobile Company, predecessor of the Ford Motor Company and organized by Henry Ford, was incorporated for \$50,000, and Ford's later company began with the capitalization of \$100,000. Small figures those, in view of Ford's later operations in the motor field.

The Thomas-Detroit Motor Car Company began in 1909 with \$28,000 capital, and operations were begun in an old match factory in Detroit. This later became the Chalmers Company and, after combining with Maxwell, is the Chrysler Motor Corporation of today.

Many cars had their inceptions as side-



These men, who helped to found the motor industry, have lived to see it reach first place among the manufacturing industries of the country. In the group, decorated as pioneers at the Silver Anniversary dinner of the National Automobile Chamber of Commerce in January, 1925, there are, standing: J. D. Maxwell, Edgar L. Apperson, A. L. Riker, John S. Clarke, Rollin White, H. H. Franklin. Seated: Charles Duryea, Charles B. King, Charles Clifton, Elwood Haynes and Alexander Winton. Henry Ford and R. E. Olds, two other pioneers, do not appear in the picture

line businesses of companies engaged in other lines of manufacture. Dort and Studebaker, both wagon companies, and Nordyke & Marmon, a milling machinery concern, entered the automobile business. History has shown, however, that, with few exceptions, automobiles as a side-line product never survived unless they swallowed up the former major interest, as in the case of the three just mentioned.

Alco, made by the American Locomotive Company; the Moline, the Standard, made by the Standard Steel Car Company, and many others, fell by the wayside because they were relegated to second place among the products made by the companies.

The manufacturing of automobiles has been a hard business, and many an able organization was unable to stand the strain of competition for the public's favor. The pages of the last twenty-five years reveal many names no longer on the industry's roster. In the passenger-car division alone more than 200 companies, or an average of eight a year, have been unable to survive.

Winton, Haynes, Lozier—those were magic names only a decade ago, but they are now fading rapidly from memory. Many other names recall the memories of cars which no longer grace the roads. Chalmers, Dort, Premier, Westcott—all those cars were made by companies of high standing, managed by men of great ability, yet they were unable to survive the hard competition of the industry.

The automobile met tremendous resistance in its early days. It was assailed from every side. People considered it a menace to pedestrians and horsemen. The cars were noisy, smelly, dirty and generally objectionable. The general opinion was that the motor car was a fad and a toy that would soon pass out of rich men's favor into oblivion.

It was an old stage driver in New England who summed up a characteristic American trait when he said of his wife:

"Celista was a nice woman, nice as they make 'em, but she always wanted to be just a little ways from where she was."

The Motor and the Nomad

WERE a nomadic people, always wanting to be just a little ways from where we are, always asking what's over the next hill. And the automobile satisfied that longing.

It was much an article of universal desire as a pair of legs, and the car makers knew it.

The bicycle paved the way for the automobile—and the word "pave" is used advisedly. Roads built to accommodate cyclists did much to encourage the early use of automobiles.

There was also a second way in which the bicycle prepared the public for the advent of the motor vehicle, for the cycle had served to show the possibilities of individual transportation. It was an advance over walking, and in turn the automobile

was an advance over the bicycle. Starting later than most other big businesses, the automobile industry was able to profit by the mistakes of others.

Anticipating a new kind of competition between industries rather than between companies, car makers early laid plans for proper administration of the industry as a whole.

Col. Charles Clifton, chairman of the board of the Pierce-Arrow Motor Car Company, when assuming the presidency of the manufacturers' organization known as the National Automobile Chamber of Commerce, twenty-three years ago, a post which he held without interruption until he was succeeded a few months ago by Roy D. Chapin, outlined the policy which the industry should follow, displaying a sage wisdom that has ever since been a guiding factor in the business.

"Our real business," said Colonel Clifton on that memorable occasion, "is our industry against all others. We cannot be divided in our work. Let us educate the public to the proper place of the motor vehicle as a utility, unite our engineering brains for the general good of the public as well as ourselves, foster highways, and create first of all a healthy industry, with broadening markets. Then let each manufacturer secure that share of the market to which his enterprise and the merit of his product entitle him."

That creed still forms the basis of the business.

The Sword Arm of Business

By THEODORE F. McMANUS

Illustration by C. R. Macauley

IT IS MY conviction that there is no single factor in American business more important than advertising. When I make such a statement I decline to be brushed aside either as a propagandist or a theorist. The business operations with which I have been associated have been too huge, and that association too intimate and determinative to be blinked or ignored.

IT WAS a fortunate thing for me that my induction into advertising coincided with the inception of a great industry. I make bold to say that it was also a fortunate thing for advertising—and likewise a fortunate thing for the new industry. Advertising for the first time in its queer, hysterical history was given the opportunity to strike down to the roots of a gigantic business—to sit beside the cradle and prescribe the nursing diet and hygiene of the infant industry. Almost for the first time it actually joined hands with the sales manager and these twain were literally one, as they are presumed theoretically always to be. Certainly, for the first time, it rose in a certain measure superior to the manufacturer himself—dramatized him and dramatized his product as he could never have dreamed of doing; took firm hold of the helm and charted the course of his business voyaging.

BUSINESS is the only heroism left to most of us. We are all actors in a play whose motif is making a living. Nothing is gained by deploring or decrying that condition.

The systems of other ages were

not without their grotesqueness. A race of Babbitts is almost preferable to a ruling caste of mincing exquisites mouthing sonnets to their mistresses' eyebrows and paying very little attention to the cleanliness of their persons the while. Romanticism may be a charming picture viewed from afar, but the ladies' unsanitary coiffures and the gentlemen's personal habits will not bear close inspection. The crusading age was heroic also, but also rather ridiculous.

SINCE we are committed to this thing called Business—since selling is the paramount issue of the generation—it is certainly worth while to try and make the elements of business not merely clean but approximately accurate and semi-scientific.

And it is at this juncture that advertising enters upon the scene, enacting a prominent rôle. It is easy to understand why Gilbert K. Chesterton and his group of noble idealists berate advertising as a thing accursed. But a closer examination of American advertising, at least, discloses the fact that it is one of the finest phases and one of the cleanest factors of the thing called Business.

Much as we regret the necessity of of-

fending the poseurs who scoff at business and its chief stimulant, advertising, the rest of us have been catapulted into the middle of the mêlée known as business; and

while we may laugh heartily at it in the evening, we are compelled to take it with some degree of seriousness during the day of business hours.

... So let us have done with decrying and do the best we can under the circumstances.

To this register one exception:

Let the entire race of those who have begun of late to celebrate the holiness of business in sniveling and sanctimonious terms, be anathema. If there is anything business does not want or need it is the wishy-washiness of semi-religious terminology.

When a young man solemnly writes a book in which he depicts the Savior of Mankind as a super-salesman and the prototype of all Rotarians, there is only one thing to do with that young man and that, we think, is not permissible under the law.

ADVERTISING can acquire for a manufacturer in one year a reputation which in the earlier days of American industry would have occupied a lifetime in the making. In those days—and days no farther away than a quarter of a



Advertising . . . was given the opportunity to sit beside the cradle and prescribe the nursing diet and hygiene of the infant industry

century ago—reputation traveled chiefly by mail and by word of mouth. The blithe and frequently bibulous "drummer" was chief spokesman for and custodian of the business methods and morals of the man for whom he was avant-courier.

IT IS exceedingly difficult for the man of large affairs to think of advertising except as something alien, something outside, something following after or merely accompanying the other phases and activities of his business. As long as advertising is just that, it is just that and no more. Not until it dawns upon the head of a business that advertising is doing just exactly the same thing he is also endeavoring to do by way of a multiplicity of men, by traveling thousands of miles, by branches and sales offices, and expenditure of tremendous physical energy and vast sums of money—not until he realizes that, is he within even Big Bertha distance of comprehending the power of advertising.

His fullest growth comes when in his own mind he elects advertising the Chief Executive of his business. When that moment arrives he has found himself, for he has found a voice which can be made a rallying cry for all his other executives; he has given his business a goal and a purpose; he has massed his attack and is on his way to the quick conquest of his ultimate market—which is, of course, the humble individual citizen multiplied by millions.

IT IS one thing to rise and tell a body of salesmen that honesty is the best policy. It is another thing to adopt that truism as the root and groundwork of a process—to set that process to work and assign to each and every man concerned in it the rôle he is to enact.

It has been successful in cases where it had complete sympathy but a sympathy unaccompanied by understanding. It has been enormously successful when the management saw no more in it but what they considered very beautiful advertising expressions, which aroused enthusiasm on the part of the selling organization and response from the public. It has been tremendously successful where it was never reduced to an actual system, but pursued its lonely way of eliciting its strength and effectiveness almost entirely from the response of the public.

A NUMBER of years ago a brilliant man listened patiently while I endeavored to expound the intricate simplicities of this process of persuading the public to accept the integrity of the advertiser and the pre-eminence of his product. At the conclusion he requested the privilege of asking a few questions.

"Is not the process you are describing," he asked, "the purpose of all good advertising?"

"It is," I replied.

"Well, then, may I ask—with apologies," he continued, "if nearly all that you have said is not platitudinous?"

"It is," I said. "And so is the Golden Rule platitudinous until you dramatize and apply it."

There was no intent to register a clever retort. He had put his finger on a fact,

and the answer was the statement of another fact. All advertising should have a definite objective. All advertising should concern itself chiefly with the human mind and heart. All advertising should know its own mind and never veer or vary from its original purpose. All advertising should be a rule of conduct and business behavior for the advertiser.

MONEY has hunted out national reputations and, in buying nationally advertised properties, very frequently paid the advertising bill which helped to win those national reputations a hundred times over.

No commodity has been so commonplace of late years that it could not win a favorable hearing when the story of its success was told in the East. Soft-spoken and persuasive gentlemen are actually scouring the country at this moment looking for products and commodities with an advertised reputation and a good balance sheet. The soft-spoken gentlemen are for the most part as ignorant of the advertising process by which the properties were made strong and sound as they presumably are of the mysteries of Sanskrit. But they can read a statement and smell a profit, and so little orphaned money is taking up its temporary abode in many a strange small town which its foster parents never before knew was on the map.

In some of its aspects this is a good and healthy thing. But not in all. Not when it dehumanizes the business and makes it a machine. Especially not when it adds absentee management to absentee ownership. Not when it dries up the springs of inspiration which flow from ownership-on-the-ground to manufacturing and selling organizations and thence the public.

The moment that happens, the business has begun to loosen its grip on the consumer. There is a certain sense in which many a business begins to die the very minute it thinks it has begun to live—that fatal moment in which it becomes beholden to absentee money.

THE FACT is there are probably not more than four general types of business institutions.

One is the type which builds a product which sells by reason of its price.

Another is the type which makes an article which is sold by sheer brute force of salesmanship.

Another is a type whose product sells by sheer weight and flamboyance of advertising and salesmanship.

A fourth is the type of institution which builds a product which sells because people believe both in the goodness of the institution and in the goodness of the product.

There is no difference whatsoever in the kind of money that can be made in any one of these four types of business. A man may be just as rich in the end from one as from another. But it is hardly necessary to ask which is the pleasantest, and the most permanent, of these four kinds of business.

ONE OF the beautiful things about a good name, a good business, a good product, a good organization, or a public

good will is that it remains steadfast not only during the days of fair weather but when the business skies are clouded and overcast. It is good at the bank. It is good with the workmen in the factory. It is good in getting the very best out of the men in the front office. It is good in the dealer's store. It is good with the buying public which had already given it a preference.

THERE IS no denying the simple but potent fact that people are looking for things which are good; that they want to believe, and that they can be made to believe, that which is true. If any business has been so put in order that the process of persuasion can be honestly and honorably applied, the results are almost automatically and arithmetically certain.

The herd instinct is strong in all of us. Independent thinkers only think they are independent. Most of us think in the mass, and buy in the mass.

ONE OF the greatest difficulties which sound, consistent, scientific advertising encounters is that even inferior advertising will succeed if enough of it is done and the thing advertised has real merit and represents a widespread human need or desire. That is one reason why so many people dip into advertising and apparently succeed at it. The success is infinitely sounder, greater and more permanent, of course, when salesmanship and advertising working together, plan step by step to take the good that is in the product and sound it so alluringly that the appeal is irresistible.

Such a process implies a study and a knowledge not merely of the product and the things in it, to which the consumer-imagination will respond, but a study and a knowledge of that imagination itself.

WHEN we seek the one great fundamental which underlies the principle and the practice of advertising, we need go no farther than the simple psychological fact that people are susceptible to suggestion. We live, move and have our being in a swirl of suggestion, from morning till night, and from the age of reason to the edge of the grave.

When you set about it to persuade the public that a business is worthy of trust, there must be somebody in control of that business whose word is good, the managerial word, the financial word, the manufacturing word, the sales word, the advertising word.

This element or quality may be called a good name, or good will, or a good reputation, or good opinion, or a good product, but the word "good" must attach to it in each and every case. This is a confirmation of all things we used to write in our copybooks at school. It is a confirmation of all the things that all of us know to be true, and too few of us have the courage to practice.

The above excerpts are from Theodore McManus' "The Sword Arm of Business," published by arrangement with the author and with the publisher, McDevon-Adair Company, N. Y.—THE EDITOR.

A Hundred Years of Engine and Rail

OF AUTOMOBILE shows, America has had many within the past twenty-five years—with a fair flavoring of motor-boat shows and the like. But a Simon Pure railroad exhibition is a deal of a novelty. Such an exposition was held in Chicago in 1883. True it is that at the big world's fairs since then—notably those at Chicago and at St. Louis—the railroads have made extensive displays of their equipment. But all of this shared attention with a vast variety of other exhibits.

A Unique Railroad Show

A RAILROAD show, pure and simple, is to be held at Halethorpe, in the outskirts of Baltimore, for September 24 to October 8, as the crowning feature of the celebration by the Baltimore and Ohio Railroad of its one hundredth anniversary.

At this show nothing will be exhibited that does not pertain, more or less directly, to the railroad. The automotive vehicle will have its own place in the affair. But only as, in motor-bus or motor-truck form, it directly correlates with the railroad. In a similar way, the steamboat may have its position in the Baltimore show, but only as its service dovetails with that of the steel highway.

Primarily, the Baltimore show is a pageant; secondarily, a most extensive collection of exhibits designed to show, in detail, the development through an even hundred years not only of the railroad but of all its kindred appliances. To the combined exhibition there already has been given the name, "The Fair of the Iron Horse." It is

By EDWARD HUNGERFORD

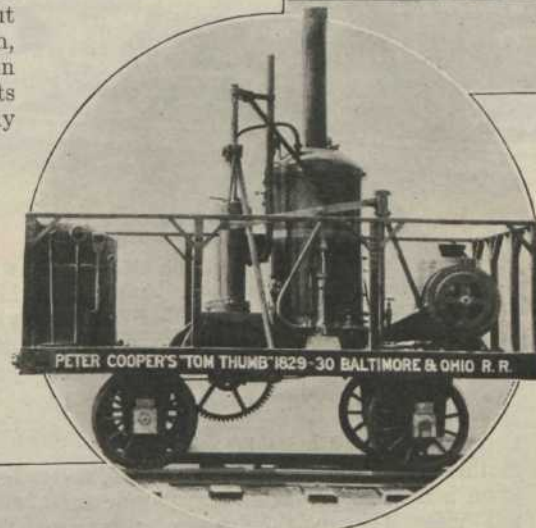
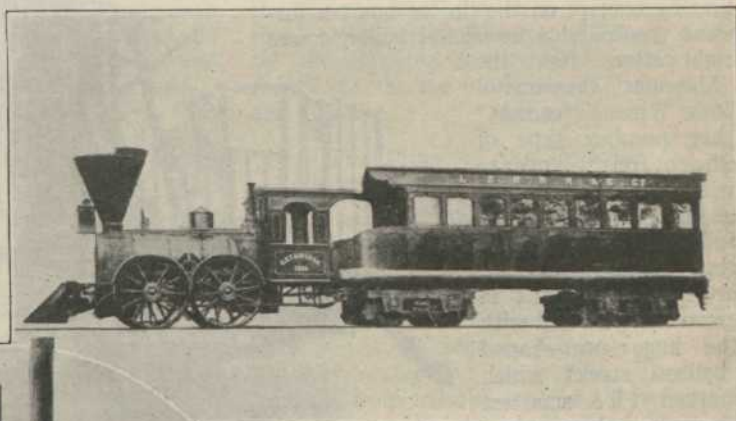
horseback; in a slightly later era, upon canal-boats and in crude wagons, these vehicles all the time growing more elaborate. Finally there came the great Conestoga wagons and the gay stage-coaches that just preceded the coming of the railroad and then there followed the railroad itself.

After a group of floats showing the birth of the Baltimore and Ohio, there will come, under its own steam, the tiny "Tom Thumb," the first locomotive of that company and the first to be built and operated in the United

was rebuilt and returned to service for a time in 1830, proved Cooper's point. The directors of

the new railroad offered a prize of \$4,000 for the best locomotive, weighing not over 3½ tons, which should be capable of making at least 15 miles an hour and of hauling 15 tons of weight behind it.

Three engines were brought forward to compete for this prize. Of them, the



"York" was adjudged to be the most practical. The prize went to Phineas Davis, her builder, who had put her together in a shop up in York, Pennsylvania, and had had her hauled by oxen down over 60 miles of hilly turnpike road to Baltimore. Davis not only received the \$4,000 in prize money, but a little later a similar sum was paid to him by the railroad company for the engine itself.

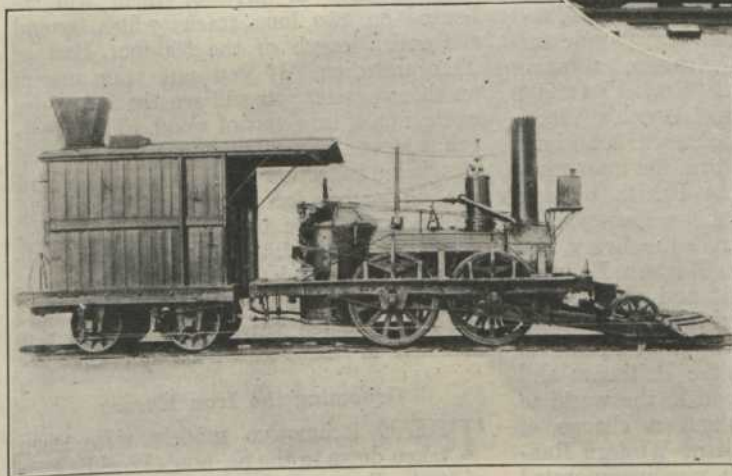
The "York" disappeared from sight many years ago, but this spring, in the railroad shops at Baltimore, she was carefully reproduced as a practical working locomotive, capable of making fully 15 miles an hour and of hauling considerably more than 15 tons of burden.

The "Atlantic," Hoary Pioneer

THERE is nothing of reproduction in the third of these old engines which will come steaming down in front of the grandstands this fall at Halethorpe. The "Atlantic" is, in every sense, the real thing.

Built in 1832 as the second service locomotive of the road, she somehow managed to escape the scrap-heap. In 1892 she was humbly shifting cars in the Mount Clare shops on the edge of Baltimore. From this she suddenly was elevated to a real distinction. She was redressed and refurbished and sent out to Chicago to be a distinguished guest at the World's Columbian Exposition. From that day to this she has been carefully preserved. Once in a great time she has been permitted to slip out from her round-house stall to be shown to the wondering and delighted folk of Wheeling or Chillicothe or Beardstown, as a relic of the early days of the railroad. Today she is in as efficient working condition as when first she was built—ninety-five long years ago.

The "Atlantic" will haul a passenger



The puffing monsters of great-grandfather's day. Above, the first locomotive and car on the Lehigh Valley, 1832. In the center is the "Tom Thumb," the B. and O.'s oldest engine. Below is the first locomotive used by the Pennsylvania, the "John Bull"

all of that—and something more. It will be a portrayal of the growth of inland transport in America, from the days of the Indians down to today. That is the pageant part of the affair.

So the folk who go to Baltimore will see the Indian making his weary way through the North American wilderness, dragging his clumsy travaux behind him; Father Marquette afoot and in canoe penetrating to the heart of that selfsame wilderness; the pioneer settlers breaking into the unknown country, in river bateaux and on

States. That the "Tom Thumb" was not a practical engine and was quickly consigned to oblivion, the one to be shown at Baltimore this autumn being but a reproduction of the original, does not matter. Alderman Peter Cooper, of New York, designed and built it merely to show the directors of the Baltimore enterprise that steam, and not horses, made the proper power for their projected railroad through to the Ohio, 300 miles away.

The "Tom Thumb," which was operated in Baltimore in the autumn of 1829 and

train of her period, composed of the famous Imlay coaches. These first passenger cars of America were built after the manner of the best stage-coaches of that day, with two exceptions. The first was that their wheels were of iron, carefully flanged to fit precisely the rails of the new-style highroad; the second was in their high-set upper decks, each with a double bench running its length and a gay canopy to keep off sun and rain. If anyone tries to tell you that the double-decked car or bus is any real novelty, take him to Baltimore this autumn.

The "Thomas Jefferson" (1836) follows the "Atlantic," and the "Lafayette," the first locomotive on the line to boast a forward truck and a horizontal boiler, comes right after. Next the "Memnon," then one of Ross Winans' "camels," that peculiar type of efficient freight-hauler to which the Baltimore and Ohio clung faithfully so many years; then the "25," a small engine, refulgent in green and gold and with the huge pear-shaped "balloon stack" which marked the smartest passenger locomotives in the middle of the last century.

William Mason, of Taunton, Massachusetts, was one of the greatest of American locomotive builders, the first to give these craft what the motor-car manufacturers of today would call a "stream-line" effect, and this little green and gold Baltimore and Ohio No. 25 looks as spick and span as when she first ran out of the doors of the Taunton shops, and that was in 1857.

Before the Caboose Was Born

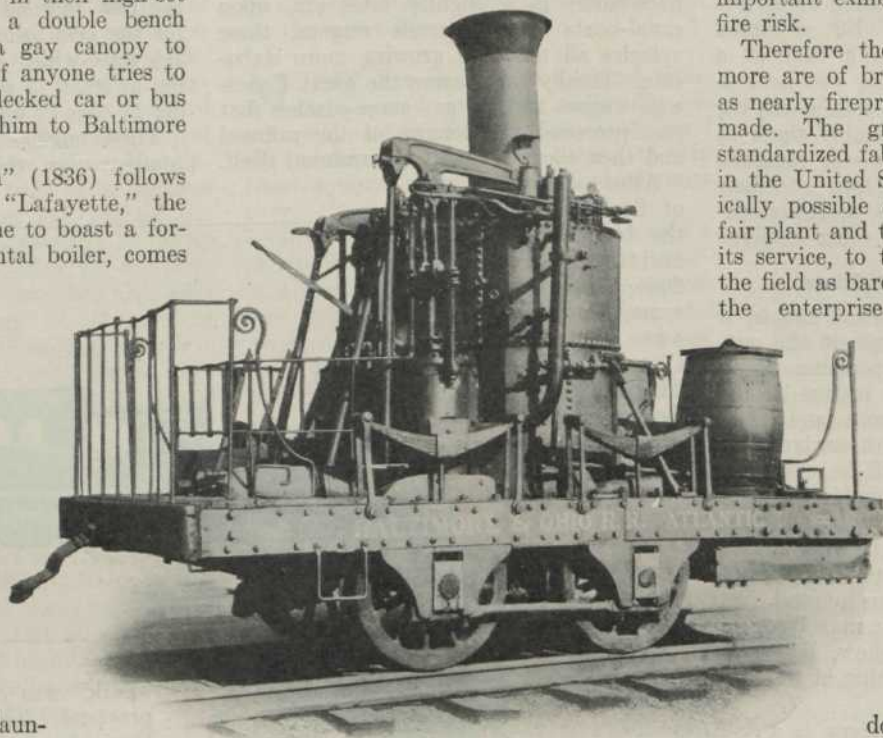
THE "117," of a similar type but much larger and with six driving wheels instead of four, all painted brightest vermilion, follows. It was built at the Mount Clare shops, Baltimore. Next comes the "600," also a Mount Clare product and finished in 1876, just in time to go up to the Philadelphia Centennial, a visit that was repeated last year to the Sesqui-Centennial in that same city.

Some of these engines have trains in their wake—tails of bright yellow passenger cars, striped and bedecked like all possessed, and others are burden carriers with the iron box-cars and wooden "flats" and curious "coal-hoppers," each of these last looking like three great ash cans placed in a row. The caboose has not yet been born, and the brakemen sit with their feet in the straw in a freight-car at the rear, trying to keep warm over the feeble glow of a brazier.

Truly this is the Fair of the Iron Horse—the American railroad marching down the ages. Other locomotives than those of the Baltimore and Ohio come into the parade. The New York Central lifts the cherished "DeWitt Clinton" (1831) and its train out from its resting place on the balcony of the Grand Central Station in the city of New York and dispatches it to Baltimore. Similarly, the Pennsylvania takes

its "John Bull," also 1831, from the National Museum in Washington, places it in thorough working condition and makes its entry in the parade around the 6,000-foot ring. The Great Northern sends its "Wm. Crooks" and train.

The thing long ago assumed an inter-



A quaint but sturdy reminder of other days. This locomotive, the "Atlantic," the B. and O.'s second oldest, will run under its own steam at the centenary this fall. It was actually in use for sixty of its ninety-five years of existence

national scope. England is the recognized mother of the world's railway systems, and upon a float in the Baltimore parade this fall rides George Stephenson, standing close beside his beloved "Rocket" (1829). Behind him follows Daniel Gooch's "North Star," a 7-foot-gauge engine which he built in 1837. Then, in due turn, the most modern locomotive that the British builders could put together—a huge four-cylinder Pacific, bearing the name, the livery and the crest of the Great Western Railway, which has sent both it and the "North Star" over to the United States.

There is a peculiar appropriateness in all of this. For while the Baltimore and Ohio is the oldest railroad in the world to continue operating without a change of name or charter, the Great Western Railway of England, which was incorporated six years later (in 1833), takes second rank in age—and first in all Europe. Most early railroads experienced many vicissitudes and many changes of name in the first hundred years of their careers.

The long, brightly green British locomotive will be by no means the only modern engine to be exhibited at the fair. Great stress is being laid upon that fact that the exhibition gives chief attention to the completeness of the organism of today. That is why the gay and brilliant parade, with its brightly colored locomotives and trains, its many, many floats interposed among

them, is supplemented by long buildings, their aisles tightly packed with the graphic portrayal of recent transportation and communication.

Long ago, the men who organized the Baltimore show dismissed the possibility of tents or wooden buildings for their more important exhibits as having far too great fire risk.

Therefore the chief buildings at Baltimore are of brick and steel and concrete, as nearly fireproof as they possibly can be made. The great development of the standardized fabricated steel structure here in the United States has made it economically possible to put up a huge modern fair plant and then, after it has performed its service, to take it down again, leaving the field as bare and clean as it was before the enterprise was undertaken. Only,

there are those who predict that the handsome red-brick Colonial buildings at Halethorpe will never be taken down.

Similarly, the grandstand is portable. Eight hundred feet in length, it will be the last structure to go up before the opening of the exhibition, on the twenty-fourth of September; and the first to come

down. Yet it has every outward appearance of permanence. A handsome stand,

with its gay canopy striped in the royal blue and white of Baltimore and Ohio, provides twelve thousand individual chairs for its occupants, in addition to three hundred private boxes.

Not all the iron horses parade around the great ring.

Some forty or fifty of them will be housed on two long tracks which extend the entire length of the 500-foot Hall of Transportation. If you put your fingers on these beasts, you will see that they are made, not of iron, but of wood. Their realism is astonishing. They are the celebrated Pangborn collection of full-size models of the distinctive locomotives of the world which formed the backbone of the Baltimore and Ohio exhibit at the Chicago Fair in 1893 and which brought for that railroad company the gold medal award. For the following ten years this collection was installed in the Field Museum, Chicago.

Grooming the Iron Horses

THESE locomotive models were then taken down to the St. Louis World's Fair of 1904. For more than twenty years thereafter they were doomed to gather dust in the shadows of an ancient roundhouse at Martinsburg, West Virginia. A year or more ago they were brought to Baltimore, and there they have been put in good condition once again for public exhibition.

The preparatory work on the exhibits for this fair of the iron horse has been in progress for almost two years.

For months past, a perfectly fascinating workshop in Baltimore has been engaged in building miniature models of the iron horse and his train. These tiny craft, built one-twenty-fourth of the size of their originals,

are, in every detail, faithful. Obviously, it was impossible to reproduce in the small scale every one of the Baltimore and Ohio's many, many forms of locomotives developed during its first hundred years of existence; but ten or a dozen of the most distinctive types, ranging from Peter Cooper's "Tom Thumb" to the giant "Lord Baltimore" (1926), which pulls the heaviest passenger trains up the stiff grades of the Alleghenies, deigning the use of a "pusher," were chosen. The "Tom Thumb" you can hold in the palm of your hand, but the "Lord Baltimore," although to the same scale, is 50 inches long. Yet the little engine, as well as the big, has its mechanism perfectly reproduced. The drivers turn; the rods and links work in precise unison.

Track Progress Also Shown

IN track and track devices, development must also be shown. In the Court of Honor, directly in front of the Hall of Transportation, have been put down ten sections of actual track, ranging from the wooden stringers, iron-covered and set upon stone blocks, that were used in 1830, down to the great 39-foot rails, weighing 130 pounds to the yard, that are in use today. In all these years the gauge of the track has not varied. It still remains the 4 feet 8½ inches that was brought over from England an even hundred years ago.

To display bridge development, through the use of actual bridges, would have been so difficult a business as to have been almost impossible. Therefore there was recourse again to miniature models. These have been made to the same scale as the locomotives, one-half inch to the foot. All winter and all spring a portion of the pattern shop at Mount Clare has been engaged in building these exquisite models, showing the development of the bridges from the stone arch, through the various uses of wood and iron and steel trusses, to the great scissors-like bascule bridges that carry busy railroads over busy streams and open and shut themselves to permit the passage of waterbound traffic. Properly to show these bridges, as well as the tiny locomotives and the cars they bear, a huge model of the Baltimore and Ohio, depicting simultaneously its progress from Baltimore to Chicago, and from 1830 (the year in which it first began the operation of its trains) to 1927, has been set up in the Hall of Transportation. This model is more

than three hundred feet long. At its beginning it shows the beginnings of Baltimore and Ohio at Baltimore in 1830. The Mount Clare passenger station, which was put up in that year, and which has been in continuous use ever since, stands with old Baltimore nestled behind it—its rows of neat brick houses surmounted by the shot tower, the dome of the Cathedral and the shaft of the Washington Monument.

In the foreground is the first bridge that the young railroad built for itself, the stone-arch Carrollton Viaduct which still remains in active service. Upon the bridge one sees the "Tom Thumb" in motion. And close by the station the little car and its horse that made the first trips for passengers and freight between Baltimore and Ellicott's Mills, fourteen miles away and the earliest western terminus of the road.

At the other end of the model is Chicago, 1927. One sees the "Lord Baltimore" and the "Capitol Limited" emerging from the trainshed of the Grand Central Station there. The skyscrapers of the new Chicago rise in back, while in the fore-

Impressions of railroading at the close of its first hundred years. The main concourse of the Grand Central Terminal, N. Y., and the "President Washington," one of the B. and O.'s giants

ground one sees the giant bascule bridge that carries the railroad over the Chicago River rhythmically rising and opening at certain set intervals.

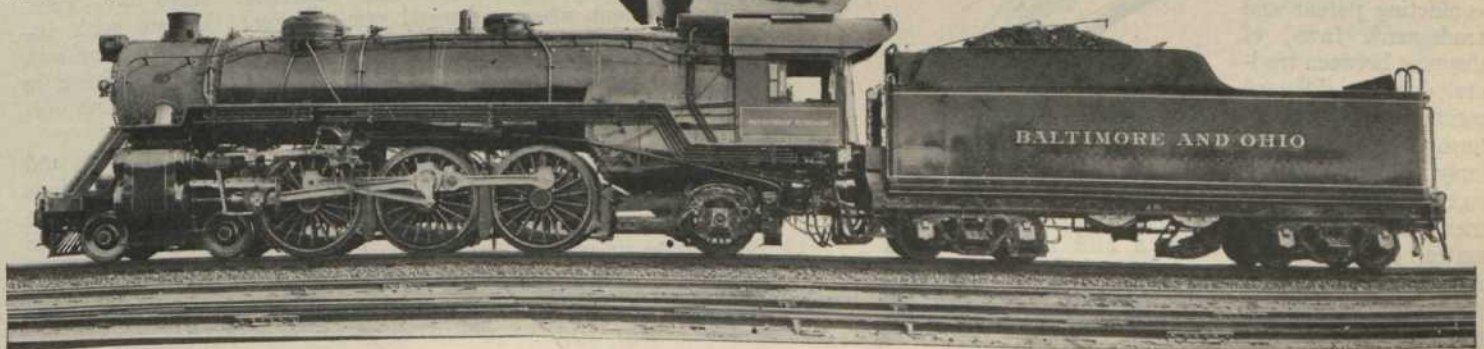
Between these two are 250 feet of miniature railroad representing more than 800 miles of actual line and the flight of ninety-seven years. Upon that stretch are the old bridges and the new, the old trains and the new. Behind them, in easy succession, the valley of the Potomac, the fastnesses of the Alleghenies, the pleasant open stretches of Ohio and of Indiana. On the other side of the hall is a similar model, although smaller. It depicts, with the same careful attention to infinite detail, the operations of a modern railroad yard. Small trains are broken up and recast, cars by the hundred swiftly and accurately moved, by the use of signals, car retarders and the like.

The Story of the Railroad

THROUGHOUT the entire show the effort has been made, at all times, to make the exhibition of railroad processes most easily understandable to the layman. It is expected that railroaders will come to the Centenary from every corner of Christendom, but it will remain, primarily and essentially, a show for the layman. Its first purpose is to tell the man in the street—the man on the station platform, if you please—something of the inwardness of the workings of a railroad. Thus, when a locomotive is displayed, opportunity will be given for a look into the "innards" of that locomotive, by means of electric lights within its boiler and its fire-box and open windows for easy inspection.

In annex buildings, immediately adjoining the Hall of Transportation and already named the Allied Services and Traffic Buildings, there will be shown those great correlated services of the railroad not part and parcel of its mechanical or physical development but very much part of its operation and its ultimate success. So come into the picture the telegraph, which was born upon the Baltimore and Ohio; the telephone, the railway mail and the express and a dozen other kindred services; and each telling its story in its own graphic and unusual way.

The huge exhibition will be ready and finished on its opening day, September 24. This is private business' answer to the problem of producing a great fair. It is the answer of efficiency and of preparedness.



What Business Did at Stockholm

SIX HUNDRED business leaders from forty countries, delegates to the fourth Congress of the International Chamber of Commerce, meeting in Stockholm last month, unanimously agreed that immediate steps should be taken to bring about an increase in the consuming power of 200,000,000 European people, who are still unable to buy food, shelter, clothing and other necessities of life, to say nothing of luxuries, which they enjoyed before the Great War.

They agreed that one way to bring this about lay in a modification of trade barriers which have grown up like mushrooms, especially between the countries of Europe, damming old established trade routes and literally establishing a blockade between the nations of Europe. Europe is today split up into twenty-six separate and distinct economic and political entities, seven of which did not exist before the war and twelve others whose boundaries were changed by the Versailles treaty.

Confusion Upon Confusion

BARRIERS have been thrown higher and higher, and confusion has been added to confusion. For example, in the olden days when there was a semblance of economic unity, commercial agreements normally had a duration of ten or twelve years, Sir Arthur Salter, director of the Economic and Financial Section of the League of Nations, stated that of 180 post-war agreements recently examined 153 were terminable within the year. To carry on trade under such conditions is not only exhausting and discouraging but well-nigh impossible.

A striking exhibition of one form of barrier was shown. It was a bill of lading of a car of coal shipped from Poland to Austria, a distance of about 200 miles. The document was about 2 feet square and was completely covered with stamps and visas of no less than fourteen inspections! There was an average train delay of three hours for each inspection, all resulting in higher costs of transportation, to say nothing of the increased costs due to governmental employees.

Barriers take the form of fighting tariffs, of import restrictions, of traders' licenses, of conflicting patent and trade-mark laws, of disputes between traders due to different meanings of trade terms (F. O. B. has forty different meanings in forty countries), of government control of production and prices of raw materials, such as rubber, coffee and potash,

By MERLE THORPE

With sketches by the Swedish caricaturist, Edquist

fifty-seven varieties of ocean bills of lading, inadequacy of international parcel post, governmental monopolies of foreign trade, tax discriminations, double taxation, legal barriers, passport fees, and regulations, inadequate bankruptcy laws—and you get a small part of the picture of artificial hindrances to the distribution of things which the people of Europe want and need.

Sir Alan Anderson, in paying a tribute to the memory of Dr. Walter Leaf, former president of the Chamber who died during his term of office, said:

"Dr. Leaf saw the world's trade as a caged bird beating against the bars, and he pities the suffering world. But with his clear eyes he saw that these bars which imprison the trade of the world and spread unemployment and misery need not exist. The world itself has forged these bars for its own discomfort. When we made Dr. Leaf president two years ago, he warned us that we were running a great risk: 'I have already reached an age at which no man has a right to look forward with confidence to even so short a period as two years.' But if his body was old, his spirit was young and full of fire. He saw those barriers to trade and

the suffering they caused, and gaily he led us to pull them down.

"In one way that he could value we can express our thanks to him, and that way is to continue and complete the work he began."

And the delegates set to work with a will.

The keynote of the Congress was sounded by Sir Alan Anderson, acting president, when he said, referring to the many tongues represented:

"Our work here requires the will more than words. We must each of us decide whether we mean to do business or just to talk. We are agreed that the trade of the world suffers today

from trade barriers, too many and too high. If we come here only to talk, we shall content ourselves with criticising the barriers of our neighbors. If we mean business, we shall consider how we can adjust our own barriers.

"I ask each one of you to answer this question: Will the Minister of your country reduce barriers which he was previously raising or will he welcome foreign trade which he previously repelled unless you, the manufacturers and traders of his own country, tell him that he will help you, his own countrymen and your trade, by helping international trade? No. He will not. You must ask him to put your resolutions into effect."

Later on the chairman asked the delegates:

"Whose are these barriers that we condemn? Who is their father? If we can get him to agree that these barriers—his own children—do more harm than good, it ought to be possible to reduce them. In our discussions we generally speak as if someone other than ourselves had insisted upon trade barriers, but to be frank with ourselves must we not admit that we, the manufacturers and producers of goods and services in all countries, we and the men and women whom we employ are the

force behind trade barriers? We, the producers, have labored to protect ourselves, our products, or our wage standards, and trade barriers were the methods we chose.

"Alas for the futility of human hopes! The war and the national fever after the war gave us the full sympathy and support of all our peoples; even the consumer suffering from inflated taxes or inflated currency joined in our cry that national industry must be helped and that the foreigner and his trade must be barred.

"Our hopes were realized, the foreigner and his trade were barred, and, as happens to a ship too heavily freighted with even the best cargo, our argosy turned bottom up.

"We know now that we can have too much of a good thing. We know now that without foreign trade our nation's life will languish, and we pass resolutions to condemn trade barriers. Have we, then, changed our opinion? Do we wish the foreigner to prosper as much as our own people? Or are we hypocrites joining in a general cry of blame to avoid being ourselves blamed?

"We remain of the same intention and opinion as before. Traders of all nations want their own people to prosper more than traders of any other nation, and those of us who believed that protection helped them retain that belief, but, just as a moderate drinker will agree that too much wine is bad, so we say now that barriers against



Maurice Despret,
Belgian Senator and
Banker



M. Etienne Fongere,
a silk manufacturer of Lyons,
France, member of
the International
Chamber Council

trade are raised too high. And we realize that while one nation may for a time profit at the expense of its neighbors by a skillful policy, by throwing its whole national force in favor of its own traders, now in this trade, now in that, the game has gone too far.

"So we, the producers of forty nations, the parents of trade barriers, some of us protectionists, some free traders, recant none of our fiscal faiths but say that the living standards of the world are being lowered by barriers which have been built too high."

There was unanimous recognition of the American position that trade barriers, particularly as regards Europe, have cut down the volume and distribution of goods to people who want and need them. It was gratifying to the American representatives that the British, French and Germans seconded the American statement to the effect that the necessities of the situation involved not a narrow discussion of particular trades and traders, but that barriers must be considered as obstacles to the economic welfare of all classes of people.

In defining its position on trade barriers, at the suggestion of the American group, the Congress put itself on record as follows:

Trade barriers in the international sense are those arbitrary national restraints on the free movement of goods, capital and services, which not only hamper trade and traders, but limit the economical production and distribution of goods, capital and services to the detriment of all peoples. They inevitably tend to depress standards of living.

In production of all kinds there is a unit of maximum economy. In distribution there is a market of maximum economy. Any barrier which prevents the world-wide coordination of the two is a trade barrier in the large sense in which this Congress uses the term. Trade is not an end in itself. It is only a means to an end. The general economic welfare is its goal. It is in such a sense, and with a view to the welfare of all sections of the community in all countries, that the Congress desires its conclusions to be interpreted.

Delegates cheered the announcement that already six governments—Germany, Holland, Sweden, Belgium, Austria and Czechoslovakia—had proposed to initiate programs carrying out the recommendations of the Stockholm and Geneva conferences.

Business was represented at Stockholm, while governments are represented by the League of Nations. The Director of the

Economic and Financial Section of the League of Nations, Sir Arthur Salter, was in Stockholm and inspired the business men by his enthusiastic reception of the work of the International Chamber.

"Great business organizations such as yours," he said, "which are daily concerned with the impediments of trade, with your direct experience in the definite injury and inconvenience you suffer because of unwise governmental action, can use the machinery of governments offered by the League for administrative reform."

Sir Arthur said that the preliminary work of the International Chamber in its study of barriers to trade, with its "positive recommendations," had been of inestimable value to the Economic Conference of the League, at which time 194 members, attended by 157 experts, appointed by governments, convened. That convention, he said, agreed that barriers particularly tariffs are, first, too high; second, too complex; third, too frequently changed.

As to the first finding that tariffs have grown too high, four declarations were made: first, that the present high tariffs have a harmful effect on trade and production; second, that substantial improvement in economic conditions can be obtained by increased facilities for trade and commerce; third, that tariffs, though within the sovereign jurisdiction of the different states, are not a matter of purely domestic interest; and lastly, that some of the post-war causes which have resulted in increased tariffs (such as currency fluctuations) have now largely disappeared, while others are diminishing.

It was the consensus of opinion that four lines of action should be followed:

First: independent action by the several states to remove or diminish tariff barriers;

Second: concerted action through commercial treaties;

Third: abolition of the practice of imposing bargaining tariffs (*tariffs de combat*) in advance of negotiations;

Fourth: an examination by the Economic Organization of the League, in consultation with such business organization as the International Chamber, and with govern-



Owen D. Young, chairman of the Board of General Electric, as a foreign artist sees him

ments, as to the best methods of securing further action to the same end.

Alberto Pirelli, rubber grower, cable and tire manufacturer, of Milan, Italy, was elected president. Here are the other officers elected for 1927-29:

Vice - Presidents: Sir Ar-

thur Balfour, Great Britain; Julius H. Barnes, United States; Maurice Despret, Belgium; Rene Duchemin, France; Franz von Mendelssohn, Germany; K. A. Wallenberg, Sweden; W. Westerman, Netherlands.

Treasurer: Louis Manheim, Hungary.

Deputy Treasurer: J. E. McCulloch, Great Britain.

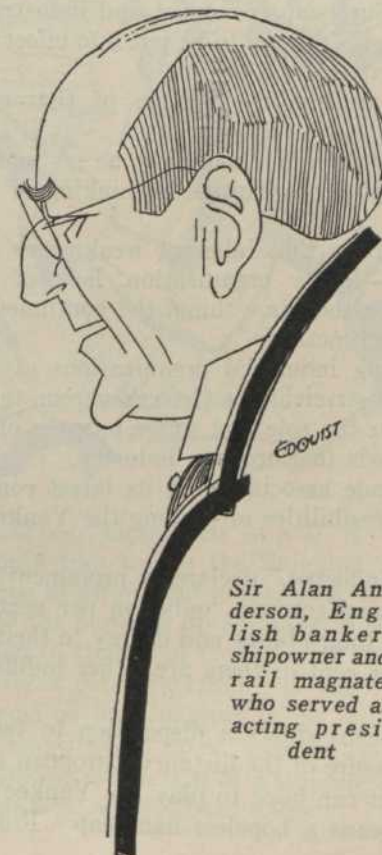
Secretary General: Edouard Dolleans.

As trade barriers were the outstanding subject of discussion in the meeting, so were they the chief topic of the resolutions. They defined them as "arbitrary national restraints on the free movement of goods, capital and service," praised the League of Nations in preparing for the study of trade barriers by the Geneva economic conference, and promised to continue cooperation on this point with the League of Nations. It called for further study of the subject and repeated the declaration of the Geneva Conference:

"The time has come to put an end to the increase in tariffs and to move in the opposite direction."

The Congress pointed out that trade barriers in transportation still exist because of the failure to carry out the spirit of the conventions already signed, and suggested that the International Chamber obtain fuller compliance with conventions that are already signed.

It was not a sensational nor an emotional meeting, this great gathering of business men; yet it was serious, effective, and it set on foot a movement that may do much to bring about the economic restoration of Europe.



Sir Alan Anderson, English banker, shipowner and rail magnate, who served as acting president

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MERLE THORPE, Editor

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September, 1927



Business and the Presidential Year

IF THERE were needed new proof of the basic stability and soundness of American business at this time, perhaps one could find it in the attitude of business toward Mr. Coolidge's statement in regard to another term.

Business has a high regard for the President. It recognizes that his sense of fair play has been for the good of business.

Perhaps it also recognizes that the bugaboo of the presidential year and its inevitable evil effect on business is passing.

Again the New Competition

HERE'S the New Competition in a new guise.

European industry inquires into American methods—mass production and low unit costs. The visitor to Europe is impressed with the evidences of this interest. The International Economic Conference at Geneva discusses it as "the rationalization of industry." Geneva, to be sure, thinks of it in larger terms—in terms of the utilization of virgin natural resources or of the resumption of natural resource development rudely interrupted by war. But the individual is thinking of it in intimate terms of his own enterprises.

The American abroad is continually running into keen interest in the Americanization of European industry. This adjective, "Americanization," is significant, especially so when used by the European economist and industrialist as describing the processes desired to be put into effect in their own industrial activities.

It is a tribute, undeniably—a form of that sincerest flattery, imitation.

Ideas on just how these methods may be set in function are as yet a bit vague, but Europe is thinking of Yankee methods.

The conviction grows that inherent weaknesses exist in European industry—faulty organization, lack of modern machinery, or what's the same thing, the continued use of archaic machines and methods.

One of the leading industrial organizations of Central Europe, the Niederoestreichische Gewerbeverein, to be precise, is organized for the sole and single purpose of adapting American methods to European industry.

This *verein* or trade association at its latest convention frankly discussed possibilities of playing the Yankee's own game.

"In most of our industry," declares a prominent Central European textile manufacturer, "only ten per cent of our employes devote all their ability and energy to their undertakings. Ninety per cent of them are either indifferent or antagonistic."

This frank statement shows a disposition to face facts fearlessly and a measure of the distance European industry must travel before it can hope to play the Yankee's game.

But it's by no means a hopeless handicap. Progress is

already to be observed. There is the example of a Czech shoe factory where in three years the performance of the individual worker has been increased from two to ten pairs of shoes a day.

What the adaptation of Yankee methods means in terms of the workers of this factory is reflected in a twenty million crown aggregate savings bank deposit to the workers' credit.

This means not only increased individual efficiency but an increasing buying power—both things Europe needs beyond measure.

Can Europe, then, play our game and beat us at it?

Billions on Faith

THE writing of a check is such an every-day occurrence to the average American that we seldom stop to consider the total of checks that circulate yearly and their relative importance as compared to cash payments. A careful estimate of the aggregate value of all checks drawn exceeds \$700,000,000,000 a year. This represents 2,000,000,000 items.

The total amount of money in circulation now hovers around \$5,000,000,000. Of this amount around \$1,000,000,000 is kept constantly in the banks of the country as "cash on hand." That leaves \$4,000,000,000 as circulating medium. For this \$4,000,000,000 to be used as effectively in the payment of the people's bills as the much greater total of checks, it would be necessary for the entire \$4,000,000,000 to be completely "turned over" every two days.

Notwithstanding the tremendous use of checks in this country, the loss resulting therefrom is inconsiderable. For instance, the annual losses suffered by banks through forged indorsements of checks is estimated at less than \$50,000 annually. It would seem that the encouragement of the check as a commercial instrument is a wise policy.

Shipping Board's Opportunity

THE two articles "Bureaucracy Put Out to Sea" have done something toward bringing about a desirable state of mind, of which the following is typical. A mid-west business man writes us "You've sold me 'off' government ownership of ships. But that wasn't hard to do, for I still remember the government in the railroad business. Since government ownership won't do, what are we to do? We mustn't give up the ships."

A fair question—and the answer isn't so difficult. Take a recent example. After the pioneering days of the trans-continental air mail line, how did Uncle Sam extend the net-work of air routes? Not by putting in more government lines but by contracting with private enterprise to maintain the services required by public interest. Incidentally, the original government owned line has now been successfully transferred to a contract basis. Bear in mind that the Merchant Marine Act of 1920 provides for mail contracts as an aid to shipping lines needed for transport of mail. Why should not the same principle apply to lines needed for the transportation of our surplus agricultural and industrial products and our essential imports? Isn't a policy that is good in the air also good on the seas? We trust the Shipping Board will see this and, in the words of the National Chamber's Fifteenth Annual Meeting, that the Board will do its part by exercising due "energy in placing this shipping in private operation and with such support as is necessary to make private operation effective."

There is no lack of plans and experience to show the

Aha! An Unarmed Merchantman!



answer to the question propounded by our middle western correspondent—not only American experiences in other fields than shipping, but the experience and practices of other countries which have been more successful than we in building up national shipping.

If our articles have seemed to attack the Shipping Board, it has been through no lack of enthusiasm for a merchant marine—on the contrary, it has been because we are convinced the recent tendencies of the Board—or at least those of some of its employees—in the long run will defeat rather

than further our aspirations to a U. S. Merchant Marine.

We should like to see the Shipping Board devote the same degree of effort and enthusiasm to discovering ways and means for building up shipping in private hands as it has devoted to studies of methods for keeping our shipping under government ownership. If the Board will not do this, it remains for Congress to go into the subject—and Congress may depend upon business leaders of America to help in working out details of a shipping program for which there is no lack of well-tried plans.

The Chance to Simplify Tax Laws

By BLAINE F. MOORE

Cartoons by Cesare

"THE BASIS for determining the gain or loss from the sale or other disposition of property acquired before March 1, 1913, shall be (a) the cost of such property (or, in the case of such property as is described in paragraph (1), (4), or (5), of subdivision (a), the basis as therein provided), or (b) the fair market value of such property as of March 1, 1913, whichever is greater."

THIS PARAGRAPH is not from the latest edition of "Ask Me Another," but from the United States revenue law of February 26, 1926. In conformity with its puzzling requirements the taxpayer must determine how much taxes he owes. If his guess differs from that of the government officials, he is duly penalized.

The need of overhauling the income tax provisions of the federal revenue law and simplifying its administration requires no proof. Even to the casual reader it is obvious. To the taxpayer who tries to make his return according to the law or the involved "instructions" on the return blank, it is exasperatingly evident.

A U. S. Chamber Suggestion

TWO years ago the Chamber of Commerce of the United States proposed a tax commission of congressmen and laymen to study federal taxes, propose a simplification of income tax law, and suggest improvements in administration. During the last revision Congress considered giving the statute a thorough overhauling. The bill originally provided for a commission of fifteen members, five from each house and five from the public. But this provision was changed, and the commission was reduced to ten, five from the Senate Finance Committee and five from the House Ways and Means Committee, with the party representation ratio three to two.

The rule of seniority was followed in both houses, and the Joint Tax Committee now is composed of Senators Smoot, Watson, Reed, Simmons and Jones, and Representatives Green, Hawley, Treadway, Gardner and Collier.

The committee is directed to investigate the operation of internal revenue taxes and their administration. It is instructed also to examine measures for the simplification of these taxes, particularly the income tax, to make reports to either house, and to present a definite report not later than December 31, 1927. This report, however, need not be final, since the tenure of the committee is indefinite.

After some delay Representative W. R. Green, chairman of the House Ways and Means Committee, was elected chairman of the Joint Committee; then for several reasons no further progress was made for some time. Recently, however, the Joint Committee has become organized and is prepared to function.

Two divisions have been created—the Division of Investigation, primarily to collect factual material, and the Division of Simplification, to examine internal revenue administration and suggest simplification. C.

A. Hamel, former chairman of the Board of Tax Appeals, has been appointed counsel to the Joint Committee and chief of the Division of Simplification.

To secure additional expert advice, aid the Joint Committee generally, and assure connection between the official organization and the public, the Joint Committee recently appointed an advisory committee: Charles D. Hamel, A. A. Ballantine, George O. May, T. S. Adams, George E. Holmes and Thomas W. Page. A more capable group or one carrying more weight to students of federal taxation would have been difficult to assemble.

To have the situation clearly in mind, it is necessary to distinguish sharply between the Joint Tax Committee and the Ways and Means Committee of the house. The latter is to meet some time before the next session preparatory to reporting to the house a revision of the revenue bill. The Joint Committee, entirely separate from this, presumably will make certain recommendations for the forthcoming revenue revision and prepare a more comprehensive program for a systematic revision of the entire system.

Those most interested hope that the next Congress will confine itself to revision of rates and modification of some of the more patent administrative defects, such as interest provisions, instalment-selling sections and statutory limitations, and leave fundamental revision until the Joint Committee has completed its study and made comprehensive recommendations.

Surplus Toward Reduction

WITH more than \$600,000,000 surplus in the Treasury this fiscal year, there should be immediate and appreciable rate reductions. However, a President, every member of the House, and at least a third of the Senate are to be elected in 1928. And although revision of the revenue act should follow scientific economic principles, political expediency may supervene. Revenue legislation has vast political possibilities. Increase of exemptions, reduction of certain rates, heavy taxation of those who bear the brunt of the burden and whose complaints excite little popular sympathy—all these are amazing vote getters. A deferral of general revision by Congress until the next session would insure economic rather than partisan consideration and give the Joint Committee time to develop its plan.

The present revenue act is essentially a war product. It was conceived in the turbulence attending the outbreak of hostilities. For that reason it was framed with but one object—to produce large revenue immediately without attention to niceties or equities.

As a producer of huge funds the system was a success. Throughout the war the Treasury Department never faltered. No

war project was delayed on account of lack of money.

But the war closed nearly a decade ago. Now, while the country is prosperous, the Treasury is overflowing, and no distracting questions are clamoring for solution, the whole system should be revised. A revenue statute should be worked out which would be of such permanent nature as to require only minor rate revisions to meet varying fiscal demands. Such a law would reduce inequities to a minimum and establish a set practice of administration that would enable the taxpayer to follow established precedent and routine and make his return with a minimum of annoyance and expense.

Can We Get a Simple Code?

IS such a tax code possible? In this country of more than a hundred millions, each of innumerable business and industrial activities presents its peculiar tax problem, differing to greater or less degree from every other. A complicated, intricate scheme of taxation seems almost inevitable under the circumstances. The ideal tax system—just, equitable and simple—has never yet been devised and probably never will be. But that perfection is unattainable is insufficient reason for cessation of effort to approach it. Much can be done to improve the present system.

Delay in settlement of tax cases has been one of the outstanding evils since the Revenue Act of 1917. Some 13,000 cases antedating 1920 yet await settlement in the Bureau of Internal Revenue, and more than 740,000 returns made prior to 1925 are pending adjustment.

Who is responsible for these delays? Are they due primarily to faulty and unworkable provisions of the statute itself? Are they due to inefficiency or maladministration in the Bureau of Internal Revenue? Or are they due to taxpayers who for various reasons have delayed settlement?

No one knows. No investigation has been made to determine the cause. Up to the present there have been a plethora of complaints, charges and counter-charges with a paucity of facts. The Joint Tax Committee has access to the records and, from the data thus obtained, may determine the facts. Diagnosis must logically precede the prescription of a remedy.

The Demand for Clarity

SIMPLIFICATION of both laws and practice is the outstanding demand. It is perhaps even more important than adjustment of rates. The present statute, with its mass of details and technical provisions, made applicable to only a few taxpayers, could be greatly simplified by putting into one section provisions of interest to the great majority and placing in a section by themselves esoteric technicalities. A still more important and fundamental change would be to separate the administrative from the levying features—codify the former in permanent form to be left unmolested by successive rate-changing acts.

Is not such a scheme as this possible? This is a question for the Joint Tax Committee.

The Government has deliberately put upon the taxpayer a duty not his—a duty belonging logically to the Government—the duty of determining how much taxes are due. The taxpayer must assume the burden not only of assembling the facts but of interpreting the provisions of a long and bewildering statute, subject to frequent and often retroactive changes by Treasury rulings. Why should not the Government interpret the law, determine the amount of taxes due, and limit the taxpayer's responsibility to a full and honest statement of facts? This is another question which may well engage the attention of the Joint Tax Committee.

At present the corporate income tax yields more revenue than that collected from any other source. It is the most complicated and most difficult tax to assess. So long as the net income basis for determining this tax is used, this tax must always be intricate and difficult. With the vexing questions of depletion, obsolescence and depreciation involved, there is no generally accepted definition of what constitutes net income.

Income or Profit?

GROSS income is much easier to determine. A tax assessed on such income would be much simpler but may be inadvisable in some instances, since it is not proportional to profits. Would it not be advisable to set up side by side two methods of corporation taxation, one on net profits and one on gross income, and then allow each corporation to elect under which system it would pay taxes? This would afford an easy, simple method of determining taxes for those corporations which choose to take advantage of the opportunity.

Corporations are now assessed 13½ per cent on net profits, while the individual, reporting his income received as dividends, from corporations, is allowed a maximum credit of but 5 per cent. In many instances small stockholders—and there are literally legions of these—pay at the rate of only 1½ per cent on their personal incomes and consequently receive only thus much credit on the dividends they report. This is obviously discrimination against both stockholder and corporation.

In the pre-war revenue acts the corporation rate and the normal rate on personal incomes were the same; consequently this discrimination did not appear. But the pressing demand for revenue raised the corporation rate, and this alone of all the war taxes has not been reduced. As a re-

sult there is now, between the rate paid by corporations and credits allowed to individuals on their personal returns for dividends from corporations, a minimum differential of 8½ per cent and a maximum of 12.

The obvious remedy would be again to reduce the corporate rate to correspond to the normal rate imposed on individuals, but, fiscal conditions considered, this is not prac-

tory limitation was fixed at five years. Under the present act it is three. The Commissioner of Internal Revenue, however, is still allowed to make jeopardy assessments—that is, to assess taxes at some arbitrary amount. The taxpayer, rather than pay this arbitrary sum, waives his rights under the statute, and thus the case may be kept alive indefinitely. The commissioner can nullify rights of the taxpayer under the time limit fixed by the law.

During the confusion which followed the inauguration of the present complicated system, such a power in the commissioner might not have been objectionable, since it was obviously impossible to close the numerous cases within the time allowed by the statute. But that time has passed.

Peace and a decade of experience and opportunity to organize the tax administration should now make it possible, finally and conclusively, to determine tax liability within a certain reasonable period fixed by law, with no power in the tax administration to nullify the limitation.

Hated Statutes

RETROACTIVE statutes or administrative rulings are always obnoxious. If a taxpayer has proceeded honestly under the current law, the case should be closed despite all new rulings with retroactive effect. Why not recognize in the revenue statute that in the absence of fraud an agreement once reached is final and not to be disturbed by either party, even though subsequent rulings indicate that such an agreement was based on misinterpretation. If this rule were incorporated in revenue procedure, it would tend to reduce uncertainty and protect those who act in good faith at the time of settlement.

After reviewing the past decade one must sympathize with the Internal Revenue Bureau.

A greatly increased personnel, hastily assembled in war times, necessarily without experience, attempting to administer a complicated and difficult law, with some of its provisions unintelligible and with no precedents or routines as guides, was confronted with problems humanly impossible to solve in any satisfactory manner. It is stated that, had all the accountants in the country been assembled during and immediately following the war, there would not have been enough to handle the work thrust upon the bureau. But peace and normalcy now prevail. The internal revenue system with its income taxes is a permanent part of the fiscal system. Why not recognize this fact and so treat it?

It is a notorious fact that any able and



"Revenue legislation has vast political possibilities"

ticable at present. Another obvious remedy is to allow the individual on his tax return a credit corresponding to that paid by the corporation from which he received the dividends. Corporate taxation, both as to rates and administration, is one of the major questions before the Joint Committee.

The Intention of Congress

WHEN the war revenue act was passed with its high rates and large number of new taxes, it was clearly the intention of Congress that after a certain fixed time tax cases should be regarded as closed, with neither additional assessments nor refunds. In the earlier acts this period of statu-

ambitious employe, after receiving some training in the Bureau of Internal Revenue, can secure a position with a private firm at a greatly increased salary or probably do still better by setting up as an expert and acting as tax counsel.

The Internal Revenue Bureau should now be put on such a basis that an employe could enter it and expect to make it a life profession. The United States Foreign Service serves as a precedent. An employe should be assured that, assuming his services to be satisfactory, he may expect a permanent tenure, reasonable promotion and a salary that, considering the permanency and stability of the position, would attract and hold the right kind of men. It is doubtful whether the Internal Revenue Bureau can be administered satisfactorily so long as the present haphazard method of recruiting employes persists. If the Joint Tax Committee can devise a satisfactory and permanent organization for the Bureau of Internal Revenue, this in itself would justify its existence did it accomplish nothing else.

A Better Way Possible

MATERIAL improvement could be effected by a real decentralization of the Internal Revenue Bureau that would bring the taxpayer, without undue inconvenience, into direct contact with a collecting official. Some decentralization has been accomplished, but results have not been great, because local officers are authorized to decide little more than routine. All important questions are referred to Washington. Thus a taxpayer may be compelled to travel across the continent to obtain a hearing. Local agencies, if staffed with higher officers with substantial power to pass au-

thoritatively on tax questions, not only would be a great convenience to the taxpayer but would relieve the congestion in Washington. To maintain standards and uniformity in decisions, it might be advisable to have traveling inspectors similar to post office inspectors and national bank examiners.

The Board of Tax Appeals

THE Board of Tax Appeals was created, independent of the Treasury Department, as an agency for the prompt decision and settlement of disputed tax cases. But what has happened? The board has developed into a near-judicial court with technical procedure and is literally overwhelmed with cases. In December, 1926, there were nearly 14,000 cases on the docket, and the board has been disposing of about 500 cases a month.

Does this result from sidestepping of responsibility on the part of the Bureau of Internal Revenue and a tendency to decide all doubtful points against the taxpayer on the theory that the board will dispense justice?

To what extent does the large number of cases result from the activities of certain persons who have a personal interest in initiating and maintaining litigation?

To what extent does the responsibility rest on taxpayers who act on the assumption that they have little to lose by an appeal to the board, and the possibility of a considerable gain?

Who Is Responsible?

OR DOES this condition result logically from the intricacies and complexities of a situation which inevitably produces numerous points of doubt and differences of interpretation?

The public will expect the Joint Tax Committee to investigate the situation and evolve an answer.

Many other questions of a more specific nature will claim the attention of the Joint Tax Committee. The interest provisions of the present statute are unsatisfactory and require revision. The sections pertaining to

instalment selling are sadly in need of a change. The advisability of eliminating capital gains and losses in computing income taxes requires serious consideration. The feasibility of "scattering" payment dates to prevent the bureau's being overwhelmed when the quarterly instalments are due, is yet another consideration. Persuading or coercing the Bureau of Internal Revenue to acquiesce or demur within a reasonable time in judicial decisions which have not reached the final court is also a question for examination.

Heretofore, when revenue law revisions were under way, the taxpayer has presented little suggestion or complaint. The Ways and Means Committee held numerous conferences with the Treasury Department, frequently in executive session, and though hearings were held by the committee at which taxpayers might appear, only a few have ever presented themselves. Too frequently these were representatives of special interests.

Now, however, an unprecedented opportunity is offered the taxpayer to tell an official representative of the law-making body just what he thinks.

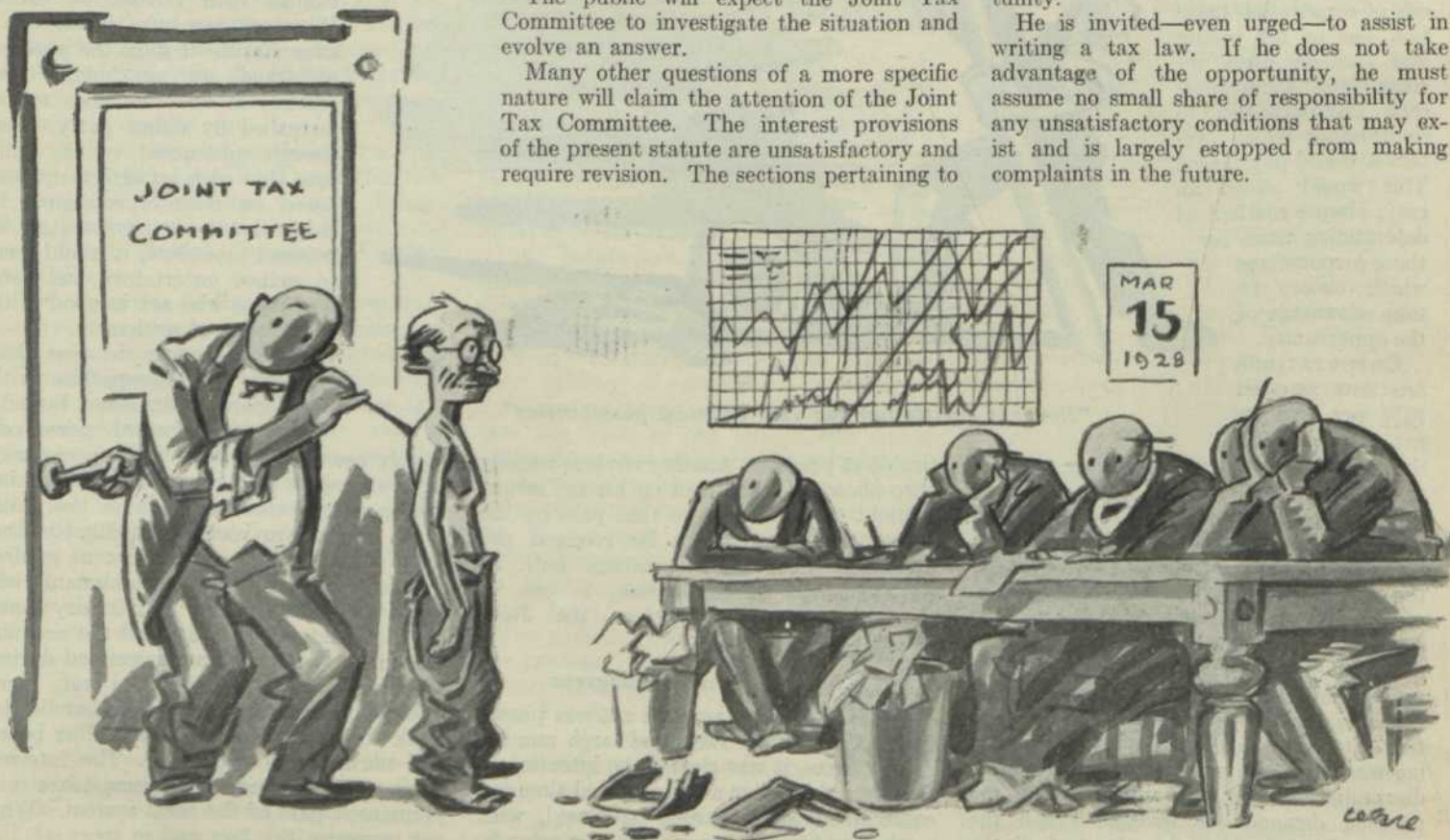
What the Committee Does

THE Joint Committee from the public has sent out several thousand letters to trade and technical associations, business organizations, civic associations, corporations and individuals, inviting suggestions, criticisms and assistance in improving the revenue system.

The committee has, however, quite properly pointed out that general complaints are of little value. It requests that all criticisms and suggestions be specific.

Here, for the first time in the history of the revenue act, is the taxpayer's opportunity.

He is invited—even urged—to assist in writing a tax law. If he does not take advantage of the opportunity, he must assume no small share of responsibility for any unsatisfactory conditions that may exist and is largely estopped from making complaints in the future.



"The duties of the Joint Tax Committee are to investigate the operation and effect of the Internal Revenue Taxes"

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Starting Business After the Flood

By DALE GRAHAM

IF THEY'LL keep the river where it belongs, we'll pull through somehow. If they don't—well, we're 'blowed up.'"

Thus a small merchant in a little town in Arkansas expressed, tersely though inelegantly, the attitude of most of the victims of the great overflow that swept the Mississippi Valley during the spring and early summer.

"Broke," but Not Downhearted

ACCUSTOMED to hardships are these people of the south. They have had floods before, though nothing to compare with the last one. They have seen crop failures; they have experienced disastrous drops in cotton prices during years of heavy yields. They know what it is to be "broke." Yet few of them know what it is to be hopelessly downhearted.

It is impossible for one to comprehend, without seeing for himself, the havoc played by the water in the worst of the stricken areas. There is no exaggerating the hardships that will be endured by thousands of people before another summer rolls around. Yet, with it all, they are generally optimistic.

"What are the people going to do?" I asked at every opportunity. A shake of the head always accompanied the answer. "I'm sure I don't know. It's going to be tough, but there's one thing certain—it won't be any tougher than it was when we had the water." Everyone says "the water," not "the flood."

Of the stricken towns, Clarendon and Arkansas City, Ark.; Greenville, Miss.; Columbus, Ky.; New Madrid, Mo., and Raymondville, La., were the hardest hit. Perhaps Arkansas City holds the record for depth of water in the business district and for the number of buildings washed away by the flood. The stores, nestled in a single row behind the levee, were flooded to the ceilings, while more than three hundred houses in the district were picked up bodily by the waters and the wreckage deposited blocks distant.

Many of the inhabitants have moved away, while hundreds of others are determined to follow if the breaks in the Arkansas River levee about 20 miles north are not closed before the water rises again in the fall. Early in August nothing had been done by the Government, due to the fact that appropriations for the purpose were not available, but the residents of Arkansas City and the territory surrounding it know full

well that unless speedy action is taken they will have the water on their hands again before long.

If the gaps in the levees of the Mississippi, Arkansas and White Rivers are repaired—and it will be criminal negligence if they are not—they doubtless will hold ordinary rises until a more extensive levee program can be carried out. With this done, the big problem facing the flood victims, the Red Cross, the bankers, and perhaps the Government, is that of rehabilitating the stricken area.

As in the case of most disasters, first estimates of damage done and the cost of rehabilitation were somewhat exaggerated. There are many places, of course, where the damage cannot be overdrawn—Arkansas City and a number of other towns in Arkansas, and the "Sugar Bowl" district in Louisiana. Yet there are thousands of acres that were under several feet of water during the spring that will yield pretty fair crops—in a few cases almost normal. With the advance in the price of cotton, many planters will be better off this year than in 1926, when they had a bumper crop and couldn't get anything for it.

Losses of Buildings Heavy

PARTS of Missouri, Arkansas, Mississippi and Louisiana that were not affected by the second and third rises in the rivers will have from a half to two-thirds of a normal crop. There the loss is principally from the destruction of buildings and the drowning of stock. As for the buildings, many were crude shacks of negro families and not susceptible to heavy damage. Most of them were reoccupied as soon as the water ran off and the mud was shoveled out.

In sections where the second and third overflows occurred there won't be much cotton this year. After the first big flood, the water receded and negroes were sent

into the fields to "mud in" the cotton. "Mudding in" is an interesting process for planting seed when the ground is too wet to hold up a machine and horses. The negroes place cotton seed between their toes and push their feet into the mud. Then they spread their toes, withdraw their feet, and leave the seed in the ground.

To the dismay of the planters, however, the water rose again, and their labor and seed were lost. Some planted once more and were caught by the third rise. The last water didn't go off until after the Fourth of July, too late to make a cotton crop. In Mississippi, some planters put in cotton, nevertheless, to keep the ground from growing up in weeds and to keep the negro labor from abandoning them. Others set to work planting corn, beans, peas, alfalfa and any crops that could yet be raised at that late date.

In Louisiana the water still covered much of the land as late as the middle of July, and there will be practically no cane raised in the famous "Sugar Bowl." The "Sugar Bowl" lies west of the Mississippi to the Atchafalaya (Chaf-a-li-a) River south from where the latter branches out from the Red River. To the west of the "Sugar Bowl" lies the "Evangeline Country," settled by the Acadian peasants made famous by Longfellow's poem, "Evangeline." Here, also, the water receded so late that no "money crops" will be raised this year.

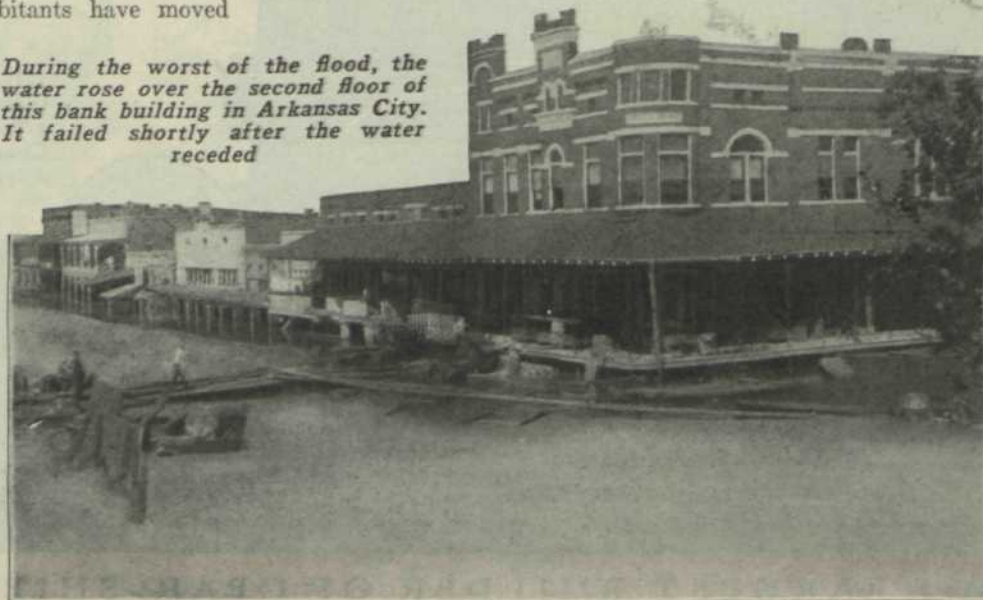
The farmers and planters, already heavily in debt, are practically bankrupt, and the merchants and business men are inevitably being dragged down by the deplorable business conditions. The question is: Where will it end? No one seems to be able to answer.

The Efficient Red Cross

THE Red Cross did wonderful work and plans to see the job through. As long as the funds hold out, the people may experience inconvenience and financial hardships, but they will be relieved as far as possible of hunger and physical suffering. Followers of the daily press are familiar with the

efficient relief work of the Red Cross during the high water, but, since the spotlight of publicity has turned to other things, many don't realize what that great institution is continuing to do. The Red Cross is still on the job. On the levees there remain many destitute families receiving daily rations. Those who have gone back to their mud-soaked homes are being furnished with food, furniture, clothing, mattresses,

During the worst of the flood, the water rose over the second floor of this bank building in Arkansas City. It failed shortly after the water receded



NEWS and comment about The Chicago Tribune, zone marketing and advertising, prepared by the Chicago Tribune Business Survey.

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TIMBER!

FOUR small islands and 4,000 acres, recently added to The Tribune timberlands in the province of Quebec, bring the total area of



ANTOINETTE DONNELLY

Antoinette Donnelly is The Tribune's beauty editor. Her experience is wide. She has reduced (in size) a group of serious minded Chicago fat men; she has picked the most beautiful woman in the world; she has helped legions keep their youthful beauty. She is a "newspaper expert" with a different slant, a refreshing style, an original manner. Antoinette Donnelly's daily column in The Tribune is one more reason why The Tribune is the favorite newspaper of Chicago women. Every month two thousand of them write to her.

Tribune timberlands to 1,641,618 acres—a territory of 2,565 square miles growing trees to be turned into Tribunes.

NEWS AS IS NEWS

ASILVERY monoplane slipping down into the ghostly light flooding Le Bourget field—a maelstrom of cheering humanity surrounding a bewildered, exhausted pilot—then a cheery voice from the first man to reach him—"It's Paris—you're here!"

Henry Wales, the Chicago Tribune's chief correspondent in Paris, was first to greet Slim Lindbergh at the end of his history-making flight—and Tribune readers got the benefit of his first hand contact with the heroic feat.

Hundreds of other newspapers, dependent upon news associations, received a story which, no matter how accurate and well written, was prepared for wholesale consumption, necessarily with no particular group of readers in mind.

That is an example of how Tribune readers get better service on big news stories than the readers of most newspapers. The Tribune, while receiving the reports of the news associations, is not dependent upon them. Wherever the news breaks, no matter how far away or how close at home—America, Europe, Asia, the Arctic Circle or the South Sea Islands—a Chicago Tribune man is near at hand to send a story home.

"In terms of Noo-Yark." . . . It's out again . . . A Daily Army. . . News as is News. . . Antoinette. . . . Timber. . . . Squabblers

Newspaper

Charles Dailey, in Peking, fired upon, wounded, arrested, nearly drowned—all as part of a day's work . . . John Steele covers a regal wedding in London . . . Larry Rue alone gets the truth about a Balkan crisis . . . John Powell sees a Chinese city—his home—fall to a hostile army and follows to the next fated city . . . Donald Day views Russia, from Riga, and The Tribune prints what he writes without the consent or necessarily the approval of the Soviet censor. All the facts from all the world.

And at home—Broadway to Hollywood—Tribune men write the big stories for The Tribune. Perley Boone in New York, Arthur Sears Henning in Washington, George Shaffer in Los Angeles—men who know Chicago, the middle west, and The Tribune news room—write the news for their people. These men and women have just one job, at home or abroad—to get news for The Tribune, to get it a little faster; and write it a little better than any one else.

In Chicago The Tribune has many staunch friends and a few bitter enemies. Both read The Tribune. Whether they like The Tribune or not, they respect, and read, its news columns.



200,000 letters asking advice on investments have been written to "The Investors' Guide" of The Chicago Tribune. S. B. PARKINSON conducts this valuable service column

SQUABBLE Department

Just another newspaper squabble. Don't waste your time on it!

Even if nobody is interested, we can't help mentioning one Chicago newspaper's scheme to acquire some cut-rate lineage.

Here's the dirt. A number of retail dealers handling one nationally distributed product join with the manufacturer in advertising the product. The advertisements are similar to many in which a manufacturer lists his dealers in the city or in the territory. This is considered national advertising, taking the national rate. But our contemporary, with whom we have sparred in this corner from time to time, is offering it at a local rate.

We don't particularly like this bargain counter competition. It isn't pleasant, in selling Tribune space, to be

asked: "Why should we buy your paper at the national rate when the other paper gives us a local rate?" And to a manufacturer who doesn't consider circulation closely—this other paper is half The Tribune weekday and one-third The Tribune Sunday circulation—the bargain seems greater than it actually is.

And though we get excited for a while, and devote this department to our wrath, we know in our hearts that The Tribune policy of giving every advertiser fair and equal treatment is not going to hurt The Tribune's business. We can well afford to lose a little lineage for the present to maintain a policy that guarantees "no privileges to one advertiser not enjoyed by every other."

stoves and cooking utensils. In Arkansas City alone five hundred families were provided such aid.

Nothing is being wasted. Those who have no farms must go to work in the lumber mills or gravel pits, and, likewise, those whose land was flooded until too late to make a crop. Those who have planted corn and other forage crops are being helped until their crops are "laid by," after which they, too, must go to work.

Two names are on the tongue of nearly every flood victim—the Red Cross and Herbert Hoover. So effective and so appreciated was his work that I believe the Secretary of Commerce could run for any office down there and get elected on a Republican ticket. That, as you know, is saying a great deal.

The Red Cross is preparing to go more extensively into rehabilitation work. Indeed, it appears that whatever organized rehabilitation is done will have to be accomplished by that body, for so far no steps have been taken to provide other relief.

Hope of Government Help

THE unanimous feeling is that the Government should take over the levee work, and do it at once. Although they do not resent particularly the President's failure to call a special session for relief measures, the people of the south feel that Congress should meet at once and appropriate sufficient money to begin work on a comprehensive system that will prevent a recurrence of the recent disaster. Another big flood in 1928 is improbable, but it is altogether possible, and the newspapers, politicians, and other prominent men are upbraiding President Coolidge for his apparent indifference. They feel that, even if Congress were to act promptly when it meets in December, it would be too late to complete enough of the levee project to provide protection in the spring of 1928. Moreover, they fear that, unless a special session is called between now and December for the sole purpose of acting on flood protection measures, the Congress that convenes in December will sidetrack the flood problem for taxation, prohibition and other spectacular subjects to get the people properly stirred up for the 1928 presidential election.

At the time this article is being written, unusual pressure is being exerted to obtain a special session. Newspapers are wiring the President and congressmen, printing vigorous editorials, and running humorous cartoons of the President in cowboy hat and chaps out "doing his stuff" for western votes while the south is in danger of drowning.

Most of the thinking people realize that it would have been folly for the President to have called Congress together hastily, before the engineers could prepare suitable plans, but they think the time has come when something should be done—and done quickly.

Even though the Federal Government comes through with relief from levee taxes and provides adequate flood protection, the row of the flood victims is going to be a hard one. Yet they are game, and generally optimistic of the outcome.

Unfortunately, there was little insurance carried against flood damage, and, aside from the help received from the Red Cross, everyone had to stand the cost of repairing his own property. Stores and homes had to be repainted and refinished in the interiors, at least, though high-water marks will long be seen on the outside of most buildings.

The lumber mills are running, and there is plenty of work for all kinds of tradesmen in the repairing of damaged property. The trouble is that many people needing work done can't pay for it. If the government goes into an extensive flood protection program, there will doubtless be a great demand for labor on the levees, which will help bring back prosperity.

The credit required for repairs is generally available at banks to responsible borrowers, but those who are already too heavily in debt must depend upon the Red Cross or do the best they can without aid. So far, the Red Cross has done little toward rebuilding or repairing plantation property, feeling that the small farmer and working man needed help the most.

Merchants in the south have always done a heavy credit business, and this year they have to carry even more of their customers. They will be aided somewhat by wholesalers in St. Louis, New Orleans and Memphis, who will in turn borrow from the city banks to extend liberal credit to the merchants in the stricken areas.

Money for financing cotton crops was furnished largely by the local banks, which borrowed from their city correspondents when their own lending ability became strained. In the flooded district are many good, sound banks. Conditions, however, during the past several years have not been good, and many banks have been carrying slow and doubtful loans. The flood will doubtless make some of the loans even less collectible, and some bank failures are to be expected.

Cotton is the only "money crop" on which banks and merchants make advances to planters. With the price of corn going up, however, the farmers may learn that some money is to be made in that commodity. But they will have to finance themselves while raising it.

Banks in Fairly Good Way

GENERALLY speaking, however, the banks will be able to take care of the financial needs of those who are able to make statements that justify bank credit. The big need is for some agency to extend liberal long-term credit to the people who are in such bad shape, financially, that no well-managed bank can lend them money.

No sooner were the flood waters surging over the once productive farms than it was realized that vast sums of money would be needed to finance rehabilitation and make crops. At the suggestion of Secretary Hoover, three credit corporations were formed, one each for Arkansas, Louisiana and Mississippi, the capital stock being subscribed locally by banks and business men and from the rest of the country, at the request of President Coolidge, on a dollar for dollar basis by business men all over the United States. Local loan com-

mittees were established in each county to pass on loan applications for the corporations.

Under the Intermediate Credit Act, an amendment to the Federal Farm Loan Act, the Intermediate Credit Banks are authorized to rediscount for banks and for such credit corporations the eligible loans made by them. But the framers of the Intermediate Credit Act had in mind that the loans so rediscounted should be entirely sound, and made such restrictions that the people who needed credit the worst could not qualify for loans through the newly organized credit companies.

Many bankers are in hopes the government will provide a loan fund from which the practically bankrupt people can borrow for long periods without security and at very low rates of interest. They have little grounds for the hope that this will be done, however.

According to one of the most prominent bankers and lawyers of the south, "it has been the idea that when the Red Cross stopped, these rehabilitation corporations could take hold. I do not think there was ever any real basis for this hope. In other words, these people were not a banking proposition after the disaster. Bankers do not confuse business and charity. They are not willing to do bad business for the sake of charity."

More Collateral Wanted

THE corporations, however, stabilized the situation at the right time. A Pine Bluff banker sized up the situation very tersely when he said: "What we need is more collateral—not more capital."

The land is already too heavily burdened with debt, often for twice the market value. One prominent banker stated that he felt wholesale foreclosures to clear the land, even at loss to mortgage holders and sacrifice to owners, would be necessary before farm credit could be reestablished on a satisfactory basis. There seems to be much logic in this opinion.

Down below New Orleans, where the people were flooded by artificial breaks in the levees to save the city, relief and rehabilitation work is going on with better prospects of success. The city of New Orleans and state of Louisiana are morally bound to restore the people to their former condition as far as money can do it. The banks of New Orleans put up \$2,000,000, and a reparations commission is already functioning, making awards for damages in accordance with the showings made by the flood victims. Pending the passage of legislation appropriating rehabilitation funds, the New Orleans banks are lending up to 80 per cent on reparation certificates awarded by the committee. It is believed that those who gave up their homes to save New Orleans will be taken care of in due time.

It is thought by business men generally that, except in the worst flooded sections, prospects for the year are fairly good. The land was doubtless enriched by the silt deposits left by the water. It is also felt that railroad and levee construction work will offset, in a measure, the loss through decreased purchasing power of the farmers in the flooded communities.

Reduce Selling Costs

by Planned Operation of Salesmen's Cars

To executives responsible for the supervision and the expense of salesmen's automobiles, Oakland offers a definite plan of motor car operation to reduce operating costs.

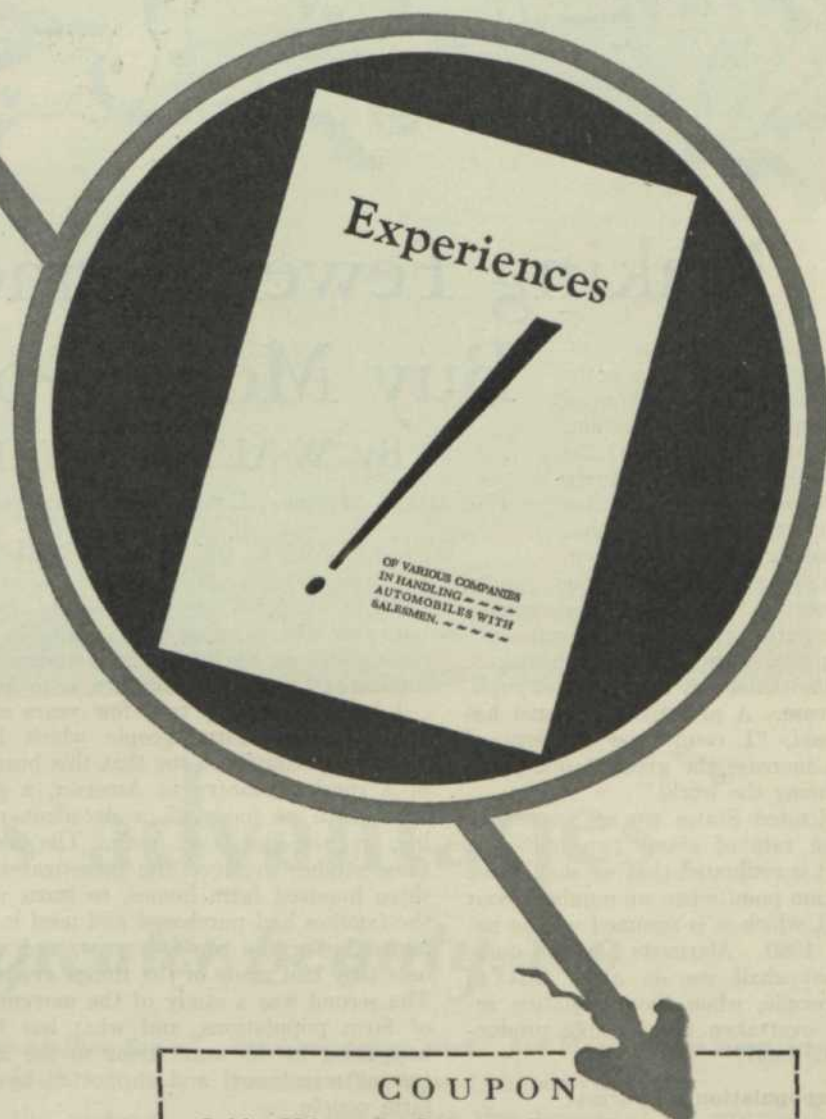
This plan was developed after an intensive study of the operation of motor cars in business. It is thorough, comprehensive and deals in sound fundamentals.

Its outline is given in a booklet, "Experiences of Various Companies in Handling Automobiles with Salesmen", which contains much other valuable information. Hundreds of executives who have read it tell us that they regard it as extremely helpful.

This booklet will be mailed without charge on receipt of the coupon.

Oakland has built the Pontiac Six and the Oakland All-American Six in body types which readily adapt themselves to business, both in price and design. A study of this booklet will reveal that Oakland has gone even further and has developed a complete plan to control operating and selling costs incident to the use of automobiles in business.

OAKLAND MOTOR CAR CO.
PONTIAC, MICHIGAN



COUPON

Oakland Motor Car Company, Dept. K,
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Please send me a copy of the book, "Experiences of Various Companies in Handling Automobiles with Salesmen"—tell us more about your fleet users plan.

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(Company)

(City) (State)

OAKLAND-PONTIAC

PRODUCTS OF *Sixes* GENERAL MOTORS



Making Fewer Farmers

Buy More Goods

By WALTER BURR

Professor of Sociology, Kansas State Agricultural College

Cartoons by Stuart Hay

"THE FARMERS are trekking to town!" This is the way in which an editor of a publication which has a nationwide circulation epitomizes the trend in rural depopulation during 1926. Last year was no exception to the rule. Statistics show that for a period of twenty years, in certain mid-western states, the farm population has steadily decreased.

This is a peculiar phenomenon, especially when compared with what is happening in the general national and world field of population increase. A prominent biologist has recently said, "I count the problem of population increase the greatest one problem now facing the world."

In the United States we are increasing now at the rate of about two million a year, and it is estimated that we shall reach the saturation point when we number about 250,000,000, which it is assumed will be not later than 1980. Alarmists ask the question, "What shall we do after that to feed our people, when the population increase has overtaken the possible productivity of the land?"

Depopulation of Farms?

BUT along with this alarm comes this one from an exactly opposite cause, namely, that the farm population is decreasing. It is predicted that the price of food to the consumer will go up, unless the trend reverses itself. The Secretary of Agriculture is quoted as saying that "the real menace to the country lies in the inability of the Government to stop the trend before farms have been so thoroughly depopulated that the United States will not be able to produce enough foodstuffs to meet its needs."

A New York paper is quoted as interpreting the movement as "a great tragedy." "Behind it," the editor says, "is the relentless economic trend which has made it impossible for millions, even of those who have stuck to the farm, to make a decent living. It is the trend, in short, which led Professor Dodd, of the University of Chicago, to predict a year ago the development of a rural peasantry unless something is done to check it."

All of which, to one who actually travels out over the farming area, visits in the homes and on the farms, and studies conditions and people as they are, is to laugh.

I have within the past few years made studies among farm people which have thoroughly convinced me that this business of a rural peasantry in America, a coming dearth of foodstuff, a decadent rural life, and the like, is all bunk. The first of these studies involved the investigation of three hundred farm homes, to learn what the families had purchased and used in the home during the previous year, and what uses they had made of the things available. The second was a study of the movements of farm populations, and what has been happening in the same areas to the institutions maintained and supported by the farm people.

That there are fewer farmers in certain areas, and that for all the United States there was a decrease in farm people in 1926 of 649,000, statistics accurately show. That this was in any way other than for the welfare of the country as a whole and the farm communities themselves, and the farm people who moved, statistics do not show. To the contrary, such statistics as are available indicate that the movement from the farm is due to very wholesome and sound economic causes, and that in all probability it is a readjustment of population which must continue for some years yet to come.

Here are some facts that must be taken into consideration in understanding this decrease of persons in the rural trade area:

In the days of homesteading, much of the farm work was done by hand, and what machinery was used was of a clumsy and inefficient type. The lands first entered were the fertile ones of "the Ohios," Illinois, In-

diana, Kentucky, Iowa, etc. In these areas the rainfall is fairly dependable. In much of this territory also there was big timber, and the carving out of a farm was a task that called for many hands working many years. One hundred and sixty acres, under these conditions, was a very large farm. So the homestead was placed at

the 160-acre limit.

The economic and social movement westward became a psychological movement. Long after the best lands were occupied, the trek westward continued, on into the semi-arid regions, up into the Rocky Mountains—and always with the idea of 160 acres as a homestead. The psychology of the situation simply carried the procession further than was justified by sound economics or what the farmers themselves would call "good horse sense."

There are vast areas where the tragedy of placing one's all in a little "farm," and year after year running a deficit and finally being forced out, has been enacted up to the present time. Such areas never should have been cut up into homesteads of the traditional size.

Bigger and Better Farms

BECAUSE 160 acres made a good farm seventy-five years ago in Ohio, is no good reason to suppose that a like number of acres would make a good farm in western Kansas and Nebraska and in eastern Colorado today. Because people have been moving off these under-sized tracts, and going to places in the city or otherwise where they can make decent livings, is certainly no evidence of the dumbness usually associated with the alarmist's picture of "an American peasantry." It might rather be considered the very best mark of a high grade of intelligence.

Statistics show that in this "trek from the farm" there has been no good productive land abandoned. I asked a county agent recently if he knew of any "abandoned" farms in his county where there has been a slight decrease in rural population. His reply was, "Yes, one. It was such a tract of land that no one but a demented

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Steel's advantages...

and greater beauty, too

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man would ever have tried to farm it, and the last owner just showed his good sense in letting it go back to the wilderness." Evidently we must get over this idea that all land is to be farmed, whether or not it has any fertility, or lies within a zone where the rainfall and temperature are conducive to agriculture.

A few days ago a big Kansas farmer who moved from Massachusetts told me of some "worn-out" and "abandoned" farms there. He said the trouble was that the farms were worn out before they were ever settled by farmers. He related stories of his early boyhood days spent in carrying rock off the land, so that planting could be done on small tracts thus redeemed.

In those areas which are adapted to farming there has been a regular increase in product per acre, during the period of the greatest decrease in rural population. Who said something about food becoming scarce in the near future, due to the fewer number of farmers in the trade territory? Have we not been struggling with the problem of the "exportable surplus"?

Increased Production Per Man

WE are concerned, of course, with the product per man employed rather than with the product per acre. We want the individual to produce adequately in compensation for his labor. If the product per acre has been increasing while the number of persons employed has been decreasing, it goes without saying that the product per person has been very greatly increasing.

There has been a terrible falling off in the last fifty years in the number of men who set type by hand. That must be disastrous to the printing business. There must be much less type set. Yet we know that quite the opposite is true, and that the falling off in numbers of hand compositors has been due to the coming of labor-saving machines. The hand compositors just had to find something else to do, and since there were plenty of other industries in the cities, the adjustment was made without resulting in any population shifts.

It is estimated that if we should use today the agricultural methods of seventy-five years ago and still keep up our present rate of production, it would require twenty million more people on the farms to do the work. That would make a lot more people in the trade territory to be supplied by "the home merchant." But who would advocate returning to the methods of seventy-five years ago, to give that kind of trade to the present-day retailer? And is the present-day retailer in the center of a rural area worse off than was the one of seventy-five years ago?

Some economists declare that a farm itself is a manufactured article. That is, it is *not* a farm until some one makes it one by erecting a farmhouse, barns, fences and other improvements, and joining with others to develop a system of roads,

bridges, and means generally of transportation and communication. In that sense, the farms of America are now *made*. It took a lot of labor to "make" them, and the bulk of that labor is no longer needed. Therefore, it is no longer present and no longer counted in the rural population. If its equivalent were there, it would be idle and dependent upon charity. Not very good human material for a trade territory.

Family Tribes

HERBERT QUICK, in his story of "One Man's Life," depicts some of the problems of the pioneer "homesteading" times. Among these he refers to the size of the pioneer families. He tells of the frequency of the cases in which the stalwart man raised a family of ten or fifteen children, the mother died, and the man remarried and raised another family nearly as large in number. The family in which my own mother was raised in southern Indiana was one of this double-decker sort. Fifteen or twenty children in one family swelled the population somewhat.

But, you know, they don't do it any more. Three or four children, and the family is finished.

Whether it is better for the retailer to have in his trade territory families of twenty in number who cannot afford a decent living, or families of five in number who can afford to buy things—"deponent sayeth not." But somewhere along the line this getting out of the rabbit habit must register a "decrease in rural population," which might or might not be considered a sure proof of the "development of an American peasantry."

The Decrease Explained

HERE are some figures gathered by an intensive study of a typical Kansas county, in which there has been "rural depopulation" for more than twenty years, steadily:

In the twenty-year period studied, the number of farms decreased by one hundred and forty-four.

This in itself, counting five persons to

the family, would account for a loss of seven hundred and twenty in the farm population. In spite of this decrease in the number of farms, there have been no farms abandoned in the county.

This is largely a wheat-producing county, with great mills at the center to work up the product. The number of farms in the class of less than 260 acres greatly decreased, because with modern machinery it did not pay to farm such small areas.

The number of farms in the class between 360 acres and 1,000 acres greatly increased, indicating a merger of the smaller farms. In 1900 all farm implements in the county were valued at \$474,930, divided among 1,948 farmers, while in 1920 all farm implements were valued at \$2,170,940, distributed among 144 fewer farmers. That is, while the number of farms decreased 7.39 per cent, the value of farm machinery increased 357.2 per cent. Does that look like a "rural peasantry" or a falling off in trade in the merchants' territory?

In this county the value of crops produced in 1909 was \$3,060,046. In 1919, ten years later, the value of the same classes of crops produced was \$6,882,428—with a greatly decreased number of farm people. In 1909 this county produced 1,639,656 bushels of wheat, and in 1919, with fewer farms and fewer farm people, it produced 2,203,407 bushels of wheat.

Statistics Sometimes Misleading

SUCH statistics could be given in every field that has a bearing on the economic life and the trade situation of the area studied. It was essential that a readjustment of rural population should be made to meet new conditions. Published statistics, from which are gleaned supposed facts with regard to rural population movements, are often themselves misleading. In many cases a "loss" recorded statistically means a "gain" in the economic and social sense. Farm people, like other people, are consumers of materials for food, clothing and shelter. It might develop that, where the numbers of consumers decrease, the amount consumed will decrease. This does not always follow, especially when consid-

ered in terms of that part of the amount consumed for the supply of which people depend upon the retail merchant.

However, there can be no doubt that the merchant must be alive to the fact of the decrease in the number of his rural customers, and alert to discover means of creating new wants among those who remain, and of so assisting in all movements within the community to add to the income of the farmers that these wants will become economic demands, with money coming into the community to pay for purchases.



"Fifteen or twenty children in one family swelled the population somewhat"



Big business knows how rust-fire* eats profits

That is why *Armco* ingot iron is used in so many of our largest industries.

HOW to keep away rust-fire, the profit-eater? That's a question every plant owner thinks about.

Thousands of industrial executives know the answer. They are insisting on *Armco* ingot iron for all sheet metal work in their plants.

Armco ingot iron is the rust-resisting metal. It is practically free from the impurities that hasten rust in steel. And no other iron is so pure. That is why *Armco* ingot iron gives long-time, low-cost service on the roofs and sides of factory buildings, in stacks, tanks and heating systems . . . and every other place where sheet metal is exposed to the weather or corrosive fumes and gases.

These men know, too, that the use of *Armco* ingot iron saves them worry over maintenance details as well as money. And they know that sixty cents of every dollar on a sheet metal job is spent for labor . . . regardless of what material is used. Naturally, they prefer to invest *their* crews' time in metal that will last.

When you build or replace, keep rust-fire out of your plant by using *Armco* ingot iron. You can identify it by the *Armco* Triangle stamped on every sheet.

And in the HOME... Home owners and builders, too, are saving the cost and annoyance of frequent repairs. They

are insisting on galvanized *Armco* ingot iron for gutters, downspouts, flashings, metal lath . . . and other metal parts about a house. Here, *Armco* ingot iron offers a double protection against rust.

For it takes and holds a coat of zinc much purer than the galvanizing on steel. Look for the sheet metal shop in your neighborhood that displays the Ingot Iron Shop Sign.



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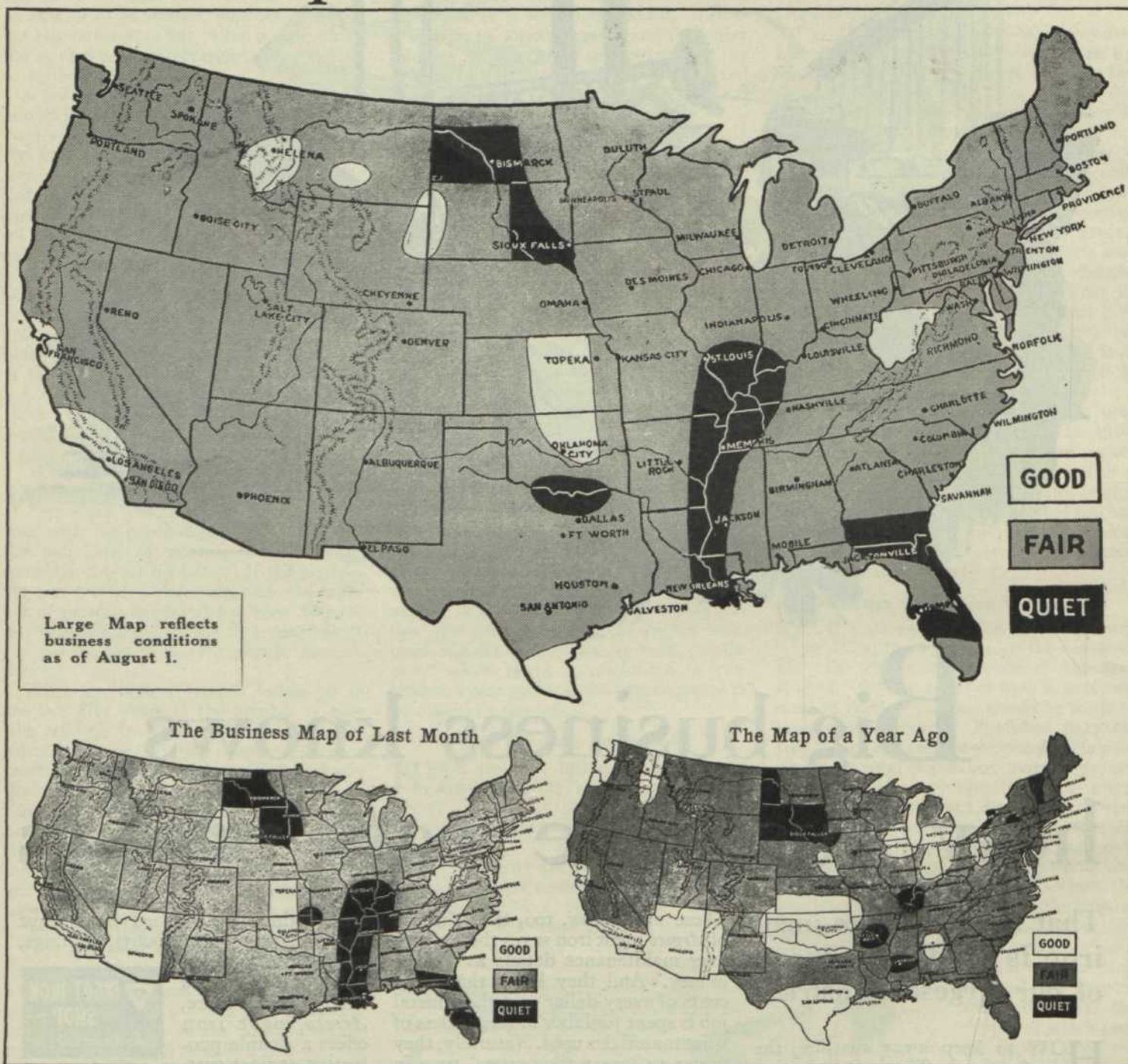
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* **RUST-FIRE!** The only difference between rusting and burning is time—both are oxidation. You can feel and see the fire produced by rapid burning. But when metal rusts, the process is too slow to see. Rust is the "ash" of this fire.

The Map of the Nation's Business



A REVIEW of conditions in July and early August reveals at least two phases or perhaps two views of contrasting conditions. Trade and industry as a whole gained little, in fact industry receded somewhat, and was at a rather low ebb. Retail trade activity seemed confined largely to "sales," and wholesale trade appeared to mark time until the entry of August. On the other hand, crop conditions, taken as a whole but considering especially food crops, unquestionably gained, though, as in the case of corn, still leaving a great deal to be desired.

There was enough irregularity visible in and between the two showings to render generalization difficult other than to say trade and industrial trends were either sta-

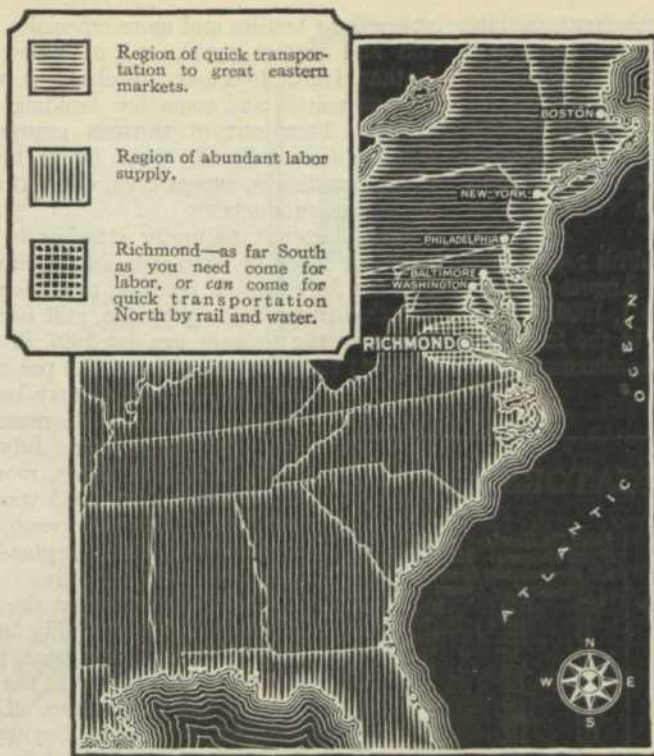
By FRANK GREENE

tionary or receding, whereas the crop outlook, even allowing for the disappointment of those expecting a large cotton crop estimate, was apparently vastly better than one or two months or more ago.

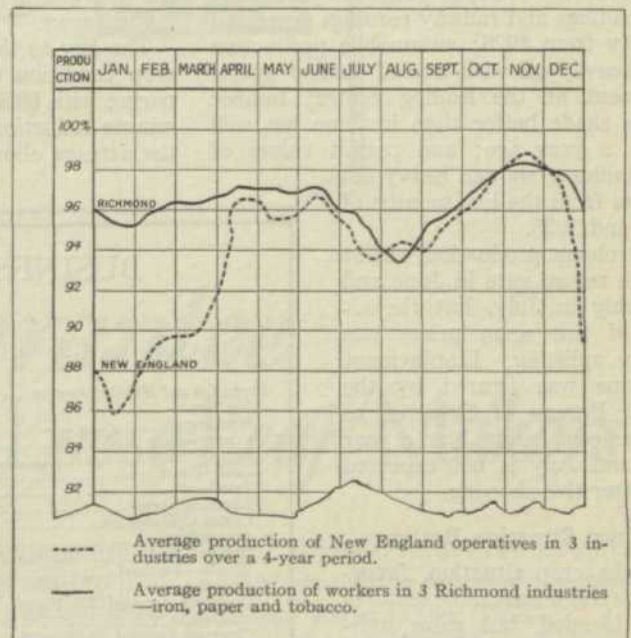
On the theory that one should step off first with the best foot, it may be said that the cotton manufacturing trade and selling trade was active, even allowing for summer shutdowns; wool prices were firmer, the woolen goods industry showing a slightly better condition than a year ago; bank clearings and bank debits showed gains, most of this at the big speculative centers where easier money and excellent showings of earnings by a few companies eventuated

in record activity in stocks for July; shoe manufacturing was quite active with higher prices asked as a result of the earlier strength in leather and hides; silk consumption, that is, mill takings, was above a year ago; collections were slightly better; gasoline consumption heavily increased; commodity price indexes turned upward after four consecutive declines; there were fewer failures and smaller liabilities than in June or July a year ago. Chain store and mail-order sales showed decreases from June, which is seasonal, and gains over a year ago by chains were not as large as in June, though well above July a year ago. Mail-order-sale gains over a year ago were maintained on the same scale as in June.

The unfavorable trends in trade and in-



The Higher production of piece workers in Richmond—the speed with which their output can be distributed by rail and water, mean added profits.



Vital Factors In Present Day Plant Location

Suddenly your bird dog becomes a statue. A whirl of wings... two shots in quick succession. Quail shooting in Virginia on a November morning is a never-to-be-forgotten experience. Sora and rabbits, wild turkeys and deer reward the hunter. Just two to three hours away by motor is duck shooting such as Nimrod's dream of.

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IN the far South, summer heat acts as a brake on production. In the North, the cold of winter has the same effect. But in Richmond plants, the output of piece workers is practically uniform thruout the year and greater than in cities north or south.

Their own production charts proved this so conclusively that one industry is making its main expansion here—employing 5,000 more workers than in 1925.

Here is the industrial climate that science considers ideal—an average year round temperature of 58.3°.

Another great industry, after a searching but quiet investigation, selected James River Basin for a new plant involving an expenditure of many millions—a single plant

whose power requirements are greater than that of all homes, street railways and industries in many large Southern cities.

Distributing from Richmond has the advantage of nearness to the centers of population with hauls by both rail and water. The richest sections of the South can be served better than from any other point.

If considering relocating your plant or the establishment of branch plants, our Industrial Bureau will, without obligation, make a survey that will show how well a Richmond location meets your needs.

Industrial Bureau
Richmond Chamber of Commerce
Box 100, Richmond, Va.

RICHMOND

VIRGINIA

"AS FAR SOUTH AS YOU NEED COME FOR LABOR AND SOUTHERN DISTRIBUTION; AS FAR SOUTH AS YOU CAN COME FOR QUICK TRANSPORTATION NORTH BY RAIL AND WATER"

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dustry seemed to center largely on what might be called the constructive lines. Soft coal production was curtailed by the strike which has now lasted over four months; anthracite output was the smallest for any month for a decade, except when a strike tied up production; pig iron and steel production were sharply below a year ago; car loadings and railway earnings decreased sharply from 1926; automobile production was heavily off with a good deal of unemployment at the leading center; lumber was a shade better than in June but well below a year ago; and permit values of new building showed heavy decreases from the like months of 1926 and 1925.

Petroleum production was at a high record rate in June and probably in July, but the effect of this upon prices was hardly uplifting. Employment in June was figured by the Labor Bureau of Statistics as 2.4 per cent below June a year ago, and July is not expected to better this showing.

Crop Situation Better

IN the crop situation, favorable and unfavorable features were blended, but gains indicated the estimates of spring wheat and corn much more than offset reduced estimates of winter wheat and oats. Especially was this spring wheat gain encouraging to states west of the Mississippi from Minnesota and Iowa to the coast. In fact, the northwest quarter of the country seemed to reap a good deal of the benefits of better weather, although states further south obtained a favorable balance for slightly smaller than expected yields of winter wheat in a gain in corn condition.

Of the lesser food crops it may be said that no great loss in condition is indicated. In cotton the character of the season is said to lend itself to boll weevil damage, and the unquestionably good growth of the plant seems to have been balanced in the experts' minds by more than normal spread of this infection. The floods in the Mississippi Valley generally receded, and the success of "catch" crops was heralded as helping the flood sufferers' outlook in that area.

A reflection of the better crop outlook in the northwest was had in early August in a better trend of reports as to wholesale buying in that area, but the increase in buying was cautious because of the knowledge that while harvesting had begun in those areas there was still some danger of frost damage to spring wheat, while the need of continued favorable weather and a late fall for corn was stressed.

In the last days of July cotton rose to just short of 18 cents, this ascent from the low of early December of 12.15 marking the immense change in viewpoint from last autumn, when depression ruled the South.

Following the rise to 17.95 cents in late July, which was about the same price as a year before, came a sharp speculative decline, and the publication of the crop report of August with an estimate of 13,492,000 bales, whereas trade estimates ranged from 14,500,000 to 15,000,000 bales, found the market in a condition vulnerable to bullish news.

The key to the above bullish report, the crop condition of 69.5 on August 1 comparing with 69.8 on August 1, 1926, a very minute reduction, is found in the fact that the acreage allowing for abandonment this

strength of textiles and more especially cotton and cotton goods, and of hides and leather, fruits, livestock, naval stores, non-ferrous metals and some few building materials. Four out of thirteen groups of commodities declined, these being provisions, breadstuffs, except corn, oils and miscellaneous products.

Great interest naturally attaches to the showings made by current building permits, and the July exhibit, pointing to a decrease in value from July a year ago, still further increases the balance against 1927 in this respect; for seven months it is 8.6 per cent.

July a year ago, it may be recalled, showed a decrease of 12.7 per cent from July of 1925, while for seven months the decrease from 1925 was 4.3 per cent. Only one group, the southwestern cities, reported a gain over 1926 for July.

Modifying somewhat the satisfaction at the probably larger crop of wheat this year than last in this country is the report of the continuance of the slowness of export buying of American wheat hitherto noted. With large American and Canadian crops indicated and good yields expected in Europe, especially France, the foreign buyer is evidently not inclined to buy heavily.

Mail Order Better

MAIL-ORDER sales in July showed a decrease of 8.5 per cent from June but an increase of 3 per cent over July a year ago. For the seven months' period mail-order sales showed a gain of four-tenths of 1 per cent over 1926. Chain-store sales in July showed a decrease of 3.2 per cent from June but an increase of 11.5 per cent over July a year ago. For the seven months ending with July, chain-store sales showed a gain of 16.1 per cent. Mail-order and chain-store sales combined for July exhibited a decrease of 5.1 per cent from the preceding month, but a gain of 8.3 per cent over the like month a year ago. For seven months combined totals showed an increase of 9.5 per cent.

Some of the other statistics of movement in July were those

regarding daily output of pig iron which was the smallest for any month since September, 1925, and 8.4 per cent below July a year ago. Steel output for July was probably 10 per cent below a year ago. Deliveries of silk to mills were 4 per cent above a year ago in July.

Reduced gross receipts of railroads in June (they fell off 4.5 per cent from a year ago) were foreshadowed by the decrease of 2.8 per cent in car loadings. For six months gross revenue fell off four-tenths of 1 per cent, whereas car loadings gained 1.2 per cent. Net operating income of \$472,511,052 for six months fell 46 per cent from 1926, most of this decrease having occurred in June.

BUSINESS INDICATORS

Production and Mill Consumption	Latest Month Available	Latest Six Months of 1927 Compared with Corresponding Periods of		Latest Month 1927 Compared with Same Month 1926
		1926	1925	
Pig Iron.....	July	98	105	92
Steel Ingots.....	July*	97	108	84
Copper—Mine (U. S.).....	June	99	99	98
Zinc—Primary.....	June	99	108	103
Coal—Bituminous.....	July*	98	114	78
Petroleum.....	July*	122	116	122
Electrical Energy.....	June	93	104	109
Cotton Consumption.....	June	112	114	128
Automobiles.....	July*	88	92	78
Rubber Tires.....	May	113	112	122
Cement—Portland.....	June	104	103	101
Construction				
Contracts Awarded (36 States) Dollar Values.....	July	105	111	102
Contracts Awarded (36 States) Square Feet.....	July	97	97	99
Labor				
Factory Employment (U. S.)—F. R. B.....	June	97	98	97
Factory Payroll (U. S.)—F. R. B.....	June	97	100	97
Wages—Per Capita (N. Y.).....	June	102	105	101
Transportation				
Freight Car Loadings.....	July*	99	104	90
Gross Operating Revenues.....	June	100	104	95
Net Operating Income.....	June	95	108	81
Trade—Domestic				
Bank Debts—New York City.....	July*	112	125	118
Bank Debts—Outside.....	July*	105	112	105
Business Failures—Number.....	July	107	107	109
Business Failures—Liabilities.....	July	140	124	145
Department Store Sales—F. R. B.....	June	100	104	100
Five and Ten Cent Store Sales—4 Chains.....	June	111	120	110
Mail Order House Sales—2 Houses.....	July	102	113	103
Wholesale Trade—F. R. B.....	June	96	98	96
Trade—Foreign				
Exports.....	June	107	100	103
Imports.....	June	92	103	106
Finance				
Stock Prices—20 Industrials.....	July	112	133	112
Stock Prices—20 Railroads.....	July	120	135	120
Number of Shares Traded In.....	July	125	139	102
Bond Prices—40 Bonds.....	July	102	105	102
Value of Bonds Sold.....	July	120	106	111
New Corporate Capital Issues (Domestic).....	July	159	163	126
Interest Rates—Commercial Paper, 4-6 months.....	July	99	105	103
Wholesale Prices				
U. S. Bureau of Labor Statistics.....	June	95	92	94
Bradstreet's.....	July	97	91	100
Dun's.....	July	98	94	101
Retail Purchasing Power, July, 1914 = 100.				
Purchasing Power of the Retail Dollar.....	July 1927	61	60	60
Purchasing Power of the Clothing Dollar.....	June	59	58	58
Purchasing Power of the Food Dollar.....	June	63	63	65
Purchasing Power of the Rent Dollar.....	June	59	57	55

*Preliminary.

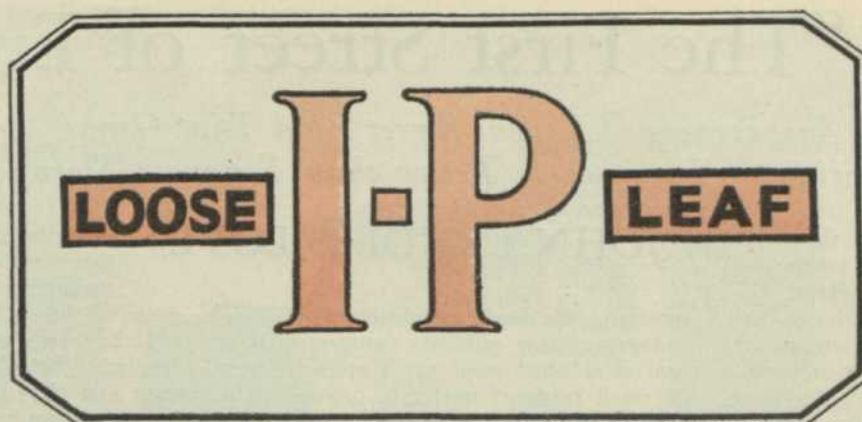
Prepared for Nation's Business by General Statistical Department, Western Electric Company, Inc., August 6, 1927.

year is only 41,139,000 acres as against 48,730,000 under crop at harvest in 1926, a decrease of 15½ per cent. Thus condition is the same, but the boll weevil menace is apparently considered serious enough to add a little to the possible reduction, reckoning the acreage reduction alone as equal to 2,786,000 bales from a year ago's total.

Spot Cotton Prices Higher

HOWEVER, the crop estimate turned out less by 1,000,000 to 1,500,000 bales than was expected, hence the fireworks in the price situation, spot cotton rising to 19.95 cents as against 18.15 cents a year ago.

The features helping to bring about the advance in prices during July were the



The Guarantee of the World's Leading Loose-Leaf Makers

LIKE a master's signature on a painting or an author's autograph in a book, the Irving-Pitt trade-mark on loose-leaf equipment is a guarantee.

It guarantees *quality*. In our twenty-three years of growth we have never compromised with the *best*—either in materials or workmanship. We promptly redeem merchandise in which the consumer can find any defect.

It guarantees *efficiency*. Our creative staff—practical accounting men—supplies a steady flow of new ideas for efficiently “keeping the world's records.”

It guarantees *simplicity*. Irving-Pitt devices are quick and easy to use—and I-P accounting forms are so plain and simple they are called “Records that Talk.”

It guarantees *service*. Our obligation does not end with the delivery of highest-grade merchandise. Our System Staff of trained experts and our trained dealers throughout the United States are always at your service.

Selected stationers from coast to coast sell Irving-Pitt products—*everything* in loose-leaf. Demand the I-P trade-mark. Insist on this guarantee of the world's leading loose-leaf makers.

IRVING-PITT MANUFACTURING CO.
Chicago KANSAS CITY New York

A photograph of an open Irving-Pitt No. 1 Vi-Dex loose-leaf binder. The binder is black with a silver-colored metal spiral binding. It is open to show two pages of lined paper. The pages are held in place by orange-colored tabs. The binder is shown at an angle, highlighting its compact design.

**Visible Records
—Only \$7.50 Complete!**

The No. 1 Vi-Dex—Irving-Pitt's phenomenal loose-leaf visible record book—offers 400 visible records in the most convenient and compact binder on the market. Sheets can be inserted, removed or rearranged without disturbing others. Ask to see the No. 1 VI-DEX.

ASK YOUR I-P STATIONER

Selling "The First Street of Europe"

London Shopkeepers of Regent Street Find That Group Action in Advertising of Location Is Better than Separate Store Appeals

By JOHN LANDELS LOVE

EVERY metropolis has its thoroughfare to which the citizens point with pride as "the street where you meet everybody who is anybody." In London this distinction has long been claimed for Regent Street, whose glories were originally created by Nash, the favorite architect of George IV. In land which was the private property of the crown, Nash erected miles of stuccoed houses and stores. The result was Regent Street as globe-trotters have known it for a hundred years. Since the war, owing to the "falling in" of the Crown leases, this famous roadway has undergone a metamorphosis.

In accordance with the conditions of leasehold, practically every one of the old buildings has been torn down and re-erected to conform more or less strictly to a prevailing architectural note. The reconstructed thoroughfare has not met with universal approval, but despite the requirement of an underlying similarity in elevation or frontage, the general effect is not monotonous, but rather impressive. The new Regent Street succeeds in continuing the tradition of the old.

Lyrical Praise

RATHER too much so, in fact; and thereby hangs our tale. No sooner had Nash completed his work over a hundred years ago than newspaper writers became lyrical in its praise. A great deal was said of the high rents charged leaseholders at the time, and Regent Street began its career handicapped with the reputation of being a costly shopping center. Although neighboring streets made the most of the out-of-the-high-rent-district argument, the new locality eventually

overcame the disability which unguided and indiscriminating publicity fastened upon it, and established itself as "a splendid mart of retail trade at moderate prices." This took time—quite a few years, as a matter of fact—and when history repeated itself recently, and Regent Street was trumpeted in the press as a high-rent district, its traders saw that quicker rehabilitation to public confidence was necessary.

Having been treated unsympathetically in the literary columns of the press, they came back with that soft answer that turneth away editorial wrath and took space in the advertising columns to tell their own

story in a manner calculated to remove erroneous impressions with a maximum of efficiency in the minimum of time.

It had been conveyed in the newspaper limelight that the expensive new architecture and the increased rentals demanded by the Crown had made prices soar beyond all reason. Then, reconstruction had been in progress over a considerable period and simultaneously throughout the length of the street, giving to thousands of visitors an impression of discomfort and inhospitality.

To the dangerous possibilities of the situation the Regent Street store operators were wide awake. While reconstruction was under way they realized fully what they were going to be up against. They got together and formed the Regent Street Association. This organization, while at the outset not 100 per cent representative, was sufficiently strong to put across an advertising campaign of a nature that impressed the whole country. Out of about a possible 120 participants, slightly less than half that number contributed to the advertising fund, but the results of the first campaign were such that many new members were enrolled.

The Start

AS IT was, the campaign was in a position to spend about \$4,000 a week for eleven weeks in the leading London dailies, Sunday newspapers and several of the more expensive society class journals. This coverage was carefully selected to include every shopping class from 'Arry and 'Arriet to Baron Renfrew. While it has never been recorded that either leader of his class rushed out in response to the appeal, the general



A strikingly beautiful retail shop on Regent Street, London



On the job for the Wabash every day

IN the past year the Wabash Railway has further improved its freight service by the installation of International Chain-Drive Trucks and a battery of All-Steel Semi-trailers.

This truck and trailer equipment is operated for the Wabash by the Arthur Dixon Transfer Company, one of the oldest in the country. These trucks and trailers are on the job ten hours every day and they are saving as high as

72 hours per shipment and replacing hundreds of trap cars and line cars every month.

The Wabash is using International Trucks at many points in many capacities and so are all the larger railroads of the country. And that is easy to understand; International Trucks have been giving good service for twenty-three years just as other products of the Harvester Company have been giving good service for almost a century.

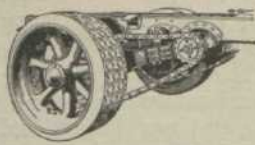
INTERNATIONAL HARVESTER COMPANY
OF AMERICA
606 SO. MICHIGAN AVE. (INCORPORATED) CHICAGO, ILL.

INTERNATIONAL HARVESTER TRUCKS

The International line includes the Special Delivery for loads up to $\frac{3}{4}$ -ton; 4 and 6-cylinder Speed Trucks of 1 $\frac{1}{4}$, 1 $\frac{1}{2}$ and 2-ton sizes; Heavy-Duty Trucks ranging from 2 $\frac{1}{2}$ to 5-ton sizes; Motor Coaches; and McCormick-Deering Industrial Tractors. Below are given a few points of superior International service and design. Write for folder on Internationals for your business.



International Trucks are served by 136 Company-owned branches in the United States, branches and dealers throughout Canada, and service facilities in foreign countries the world over. The branch illustrated is in Boston, Mass.



The forged steel radius arm includes a convenient chain adjustment. In the heavier models the live axle has a 2-speed range, assuring efficient power transmission in all going.



Herringbone Gears in double reduction drive models assure greater torque capacity and better all-around performance.



All International Trucks are provided with auxiliary rear springs. These springs come into action when needed and assure correct spring flexibility under varying loads. The type illustrated is provided for the double reduction drive Heavy-Duties. Another valuable International feature!



The Steer-Easy steering-gear makes the truck drive as easily as a passenger car, relieving the cramped, tiring position of driver.

When buying INTERNATIONAL TRUCKS please mention Nation's Business

results were so gratifying that a larger and more representative campaign, embracing the provinces as well as the metropolis, is now well under way.

There have been many advertising campaigns to indicate the desirability of certain streets as shopping centers, particularly in America. The reasons for this type of publicity have been various. Generally it has been due to a shifting of downtown centers and the aim has been to check the drift to other thoroughfares. Often it has been a gradual and apparently causeless transference of public patronage from one street to another.

Conditions Differ Here

PHYSICAL conditions have usually been the cause of shrinkage in shopping prestige, and physical conditions (of an undesirable nature) are notoriously difficult to camouflage by any kind of advertising. Regent Street, however, was suffering from too-glorified physical conditions, and for that reason the note of the campaign had to be something quite different from the customary vociferous "Do Your Shopping Here" type of copy.

It was useless to deny that the street had been reconstructed at enormous expense, or that leases had been renewed at greatly enhanced values. These facts could not be explained away, and it was just as futile to argue "quality," because the man in the street, and particularly the woman, knows that if high rents make any difference in the retail cost of goods at all, they affect "all wool" just as much as they do "shoddy." Silks, satins, muslins, rags, sackcloth and ashes all conform alike to economic laws. The problem was to claim to the full all the prestige that had come and was coming to Regent Street, and at the same time demonstrate that it was not a glorified row of bloodsuckers. This was done, and the very demerits of the street that had been so lavishly commented upon by the newspapers—high rents, enormous ground-rents, costly edifices—were all paraded as virtues which no other roadway could boast, and by advertising they were transformed into bait for fat and lean purses alike.

Prestige Stressed

TAKING as its slogan, "The First Street in Europe," the campaign boldly came out with its first caption—"Quality Street." This initial display, of generous proportions, struck the keynote sustained throughout, its aim being at once to remove the chief misunderstanding without "letting down" the thoroughfare.

"Anybody can go into Regent Street. Anybody but not anything!" read the copy. "The shops of Regent Street seem to be shut to everything which is common and dull and mean. Behind the plate-glass windows of Regent Street it is a garden full of flowers but without weeds. And this makes

Regent Street the street of streets—in London—in Europe itself, for the buying of gifts. Especially when you consider further that Regent Street is always merciful to moderate means."

Quality and Price Combined

EMPHASIS was laid on quality throughout the series, but not to the exclusion of the question of price, and the two were



Journey's End

There is one street in London where you suddenly step out of the crush and find elbow room all round you. It is Regent Street, for you see Regent Street isn't the way to somewhere else but a destination in itself. Regent Street is the easiest street in London to walk along and the hardest. It isn't traffic that holds you up in Regent Street. It's the windows. The windows in Regent Street are the most magnetic in the world. And yet for all this elegance and éclat the prices of Regent Street are very reasonable.

REGENT STREET

Waterloo Place **W** to Langham Place

THE FIRST STREET OF EUROPE

One of many similar advertisements designed to sell the idea that a London retail street has superior shops

very pithily combined in a display headed "Vanity Fair." "The woman who could be tired of Regent Street is tired of life," announced this display. "Regent Street is classical for clothes. The shoes of Cinderella are there, and furs—and enamels as blue as the sky of Italy. And there are shops where pearls lay soft cheeks on velvet, and perfume shops all gold and amber within. Or she can choose flaming cushions and curtains of ruby or orange—lay up fine linen for the long remainder of life, and buy such a lampshade that it will seem as though the moon had risen in the corner of the room. Woman or man—particular,

exacting, imperious, greatly desiring things of beauty and yet moderate in your means—come straight to Regent Street."

"The easiest street in London to walk along—and the hardest," was another statement, but, "it isn't traffic that holds you up—it's the windows. The windows in Regent Street are the most magnetic in the world. And yet for all this elegance and éclat the prices on Regent Street are very reasonable." The further point was made that "Regent Street isn't the way to somewhere else but a destination in itself—one street in London where you suddenly step out of the crush and find elbow room all around you."

Men Shoppers Helped

THE campaign had another unique feature in that it jollied along the man shopper. Mostly, in advertising of this kind, it is the woman who is appealed to, but Regent Street has long known that shoppers are not exclusively feminine.

"Is Madam Tall?" asked one piece of copy addressed to mere man in search of more than male hose and neckties. "A man buying a feminine gift is very 'sweet' but not always too intelligent," remarked this specimen of frank and revealing copy. "If he sets out with nothing definite in his mind—well, she may guess what it costs him in money, but will never know what the poor fellow paid in doubt and vacillation and anxiety. And that's why, if he's wise, he will make for Regent Street in London. No street in England has such intuition for the right thing. If it comes from Regent Street, whatever it be, it is almost sure to be right. Utterly right and very reasonable—for Regent Street, with all its instinct and flair, is not dear."

Both sexes were hailed in "Adam and Eve," which read: "If you are a man you mustn't wear a new color or a new style till you see it in a Regent Street shop for men—and then you may! If you are a woman you can go to Regent Street and revel the live-long day in the very paradise of clothes and shoes and mysterious perfumes and jewels and furs—or you can choose fine linen—or you can enter the very temples of taste and make the house of your dreams come true. . . . Go to Regent Street for everything. It is curious that the very paragon of streets is not dear."

Santa Claus Comes to Regent

A NEW conception of Santa Claus was given in one advertisement. He wore "a bowler hat, a double-breasted overcoat, cashmere trowsers with rather a crease in them, and a pair of spats. He is a clean-shaven man, looks about forty years old and as though he gets a round of golf pretty regularly twice a week.

"Nobody took the slightest notice of him—celebrities are seen so often in Regent

Your Package Can't Apologize



He Knows
Packages

IF YOUR salesman finds the going rough in getting to your customer's office he, at least, can speak up and defend his wayworn appearance—blame it on the “terrible night on the train”, “poor hotel service”, “nasty weather”, “bad cold” or a dozen and one other ills, real or imaginary.

But your package! What chance has it?

No matter how rough the going, how much abuse it has to stand in its “terrible night on the train”, it can't defend its appearance—can't apologize for the condition of its contents—can't assume the responsibility for the impression it makes on your customers—good or bad.

If the impression is to be good—if your product is to arrive in good condition—if your package is going to build good will for you, you have to pick the package that can stand the gaff—the one that doesn't have to apologize when it “gets there.”

H & D Corrugated Fibre Shipping Boxes are engineered and built to stand the gaff. They don't have to apologize. That's why so many thousands of shippers have standardized on them—why they will help you build good will, increase your profits.

THE HINDE & DAUCH PAPER CO.
304 Decatur Street • Sandusky, Ohio



**HINDE & DAUCH
CORRUGATED FIBRE
SHIPPING BOXES**



23 years of designing Shipping Boxes that are right—packages that are saving money in box cost, storage space, packing time, freight costs and damage claims for their users—that is the background of experience that any one of the 40 H & D Package Engineers, factory-trained and laboratory-schooled, will bring to the study of your Shipping Box problem at no obligation to you. Our book “How to Use H & D Free Service” explains how you can use this free service. Write for it today.

**How to Use
H&D Free Service**

THE HINDE & DAUCH PAPER CO., 304 Decatur St., Sandusky, Ohio

Please have a Package Engineer call ☐

Send me copy of booklet, “How to Use H & D Free Service.” ☐

Name of Company _____

Name of Writer _____

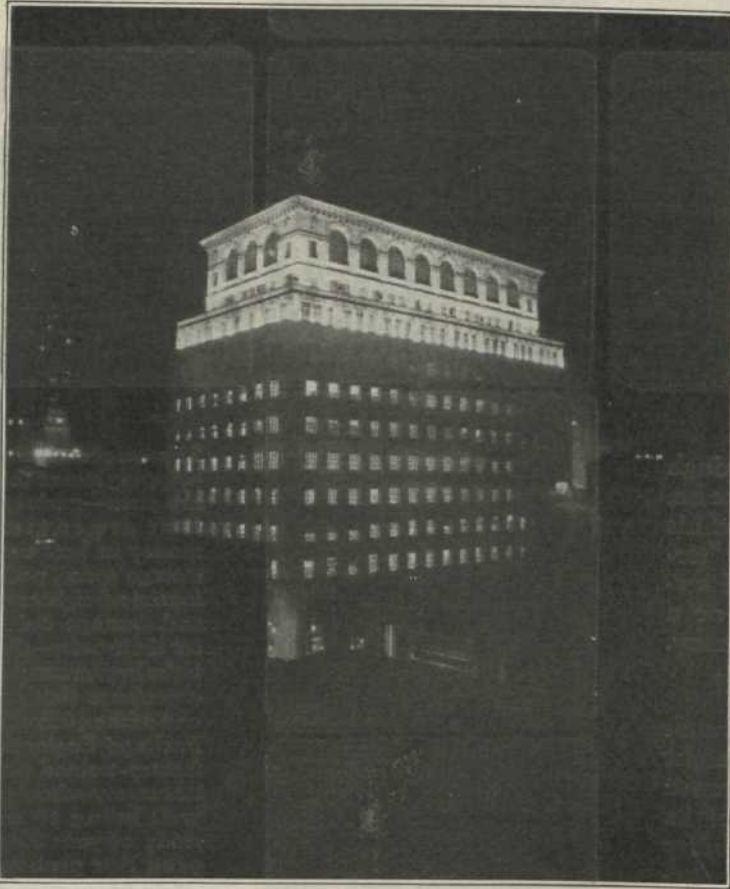
Street Address _____

City _____ State _____

TERRA COTTA

for

Building Illumination



Brooklyn Edison Co. Bldg.
Brooklyn, New York
McKenzie, Voorhees & Gmelin
Architects

RESEARCH conducted for this Society by illuminating experts shows that Terra Cotta is the most efficient light reflecting material for building exteriors and the most promising in the magnificence of its possible effects. Address us for literature on this subject. It gives the conclusions of competent authority.

NATIONAL TERRA COTTA SOCIETY

19 West 44th Street

New York, N. Y.

(On behalf of the Terra Cotta Industry in the U. S.)

Street—and besides, he doesn't very much resemble his photographs, and is really not at all unlike Dad."

He was shown sampling the Regent Street windows, and was quoted as having remarked that Regent Street has only two or three sister streets in the whole world—in Paris, Buenos Aires, and New York. As the advertisement said, "And if he doesn't know, who does?"

It was copy of this kind, supplemented with ultra modern illustrations, that put the campaign across; copy that was at once sophisticated yet without subtlety; occasionally lyrical but keeping to the level of prosaic prose; colloquial without being too familiar or patronizing; chatty but never undignified. It accomplished the difficult task of appearing in immaculate linen without looking starched.

Critics Disagree, of Course

AS already mentioned, the renovated Regent Street has not met with the unanimous approval of the critics, but as the critics seldom are of one mind save when ignoring something beneath their notice, this turning down of some supercilious thumbs indicates that the new thoroughfare has really accomplished something. Despite the unified architectural idea that pervades the street, each store has managed to capture and express a distinctive individuality and collectively to impart personality to the whole group.

The general result justifies the claim of the Regent Street Association that this shopping center is among the unique in the metropolitan markets of the world; that it is not "the way to somewhere else but a destination in itself"; that it is, in fact and in truth, "Quality Street." The principle that advertising is a sheer waste of money unless you have quality goods that mean repeat sales was never more fully acted up to than in this campaign.

One of the sponsors for the advertising was the house of Liberty and Company, whose premises front on Regent Street and on Great Marlborough Street leading from it. On the former a stately building, conforming to the lease requirements, has been erected; and on the latter a store has been built which is the most distinctive thing of its kind in Europe. Built in the Tudor period of architecture recalling the "spacious days" of that line of kings and queens, this Liberty emporium has become one of the sights of London. The two buildings are joined by a three-storied bridge in the Renaissance style.

A Clock with a Legend

ON its north side this bridge has a remarkable clock above whose painted and gilded dial is a canopied recess in which, every quarter of an hour, the story of St. George and the Dragon is enacted. As the quarter is struck, the legendary hero emerges in pursuit of the enemy whom he engages in battle and finally decapitates. High over the main entrance is an item of interest to visitors from America. This is the wind vane of gilded copper, as faithful a copy of the *Mayflower* as can be made. Small as it appears against the sky, this vane is over 4 feet high and weighs over a hundredweight.



Los Angeles

Harbor Exports Increase 100-Fold in 10 Years!

Exports Increased from \$748,000 in 1915 to \$111,938,391 for the Year Ending June 30, 1927.

RAW MATERIALS and markets of the world are brought to the door of the Los Angeles County manufacturer by 151 steamship lines.

The rapid growth of Los Angeles harbor as a world port, the many natural manufacturing advantages of Los Angeles County, and an immediate market of tremendous buying power have created here the West's largest industrial community.

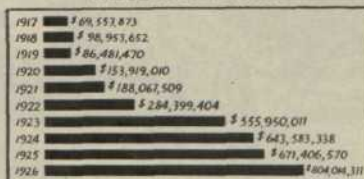
During 1926 some 300 new industries established here. In the first half of 1927 such nationally known concerns as B. F. Goodrich Rubber Company, Sears, Roebuck & Company, Illinois Glass Company, S. Karpen & Bros., Truscon Steel Company, with an aggregate plant investment of \$12,000,000, have located in Los Angeles County.

For specific information, address the Industrial Department of the Los Angeles Chamber of Commerce.

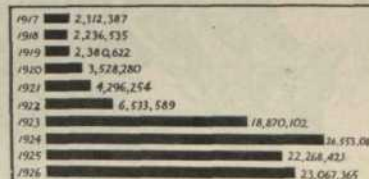
Favorable Factors that Attract Industries

- Large local markets.
- Industrial Freedom.
- Power as low as .72 of 1 cent per K. W. H.
- Abundant cheap water.
- Natural Gas and Oil Fuel at 20c and 16 1-8c respectively per million B. T. U's.
- Climate for 100% labor and plant efficiency and low plant investment.
- 3 trans-continental railroads.

VALUE OF ALL CARGO



TONNAGE OVER WHARVES



INDUSTRIAL LOS ANGELES

The Dead Hand and the Treasury

EDITOR'S FOREWORD.—This is the sixth of a series of articles on the rising cost of running the Federal Government, by William P. Helm, Jr., business analyst. In the series, Mr. Helm tells what expenditures of the Federal Government pay for, and why the cost of running it has jumped almost tenfold since 1913. In this article he takes the case of the Treasury Department.

BACK in the nineteenth century, the Federal Government began the payment of a certain subsidy amounting to \$1,200,000 a year. It is still being paid. Last year the payment was \$2,550,000.

In 1889 Congress voted an annual small-change payment "for civilization of the Sioux." It has been paid every year since then. In 1901 the payment was \$13,651. In 1926 it was nearly \$177,000.

Back in the pre-war days Uncle Sam started a miscellaneous batch of scientific investigations. Some of them—and many subsequent kin—are still being pursued.

In 1911 the Government voted \$10,000 to buy certain kinds of lands. The buying continues. Last year \$750,000 was spent.

Back in other generations there was fashioned the dead hand of government—a hand that reaches into the Federal Treasury year after year and lightens the public purse of millions.

Rivers Flowing With Gold

ONE finds its writing on almost every page of the Federal Treasury's ledgers.

Take, for instance, the Tchefuncte and the Tickfaw, the Great Pedee and the Congaree, Bogue Chitto and Swinomish Slough.

Also, as typical of scores of others, the Okanogan and Pend Oreille, the Santee and the Wateree, Bogue Falia and the Withlacoochee; the Obion, Appoquinimink, Siuslaw, Coquille, Chehalis, Anclote, Crystal, Murderkill, Mispillion, Caloosahatchie, Kissimmee and Boca Ceiga.

These are rivers and the like, more or less well known, for whose "improvement" the public has been taxed from time immemorial in the rivers and harbors appropriation bills. Let us look over the accounts since the beginning of the twentieth century.

The Tchefuncte and the Tickfaw, both of

By WILLIAM P. HELM, Jr.

Cartoon by Albert T. Reid

Louisiana, started off the century by costing \$169.76 in 1901. The next year each was improved to the extent of \$10. In the following year, 1903, they were grouped with other local waterworks, namely, Bogue Chitto, Bogue Falia, Bayou Manchac and the Amite, and for "improvements" to all the Treasury paid out \$9,706.22.

Then for two years they got along without federal funds. In 1906 they received \$6,102.50 which held them until 1908, when \$400 more was forthcoming. From 1909 to 1917, unbroken spendings followed, starting with \$20,500 and tapering off \$3,600 in 1917. For the next three years, the Tchefuncte, Tickfaw *et al.* languished without federal pap. In 1921 and 1922, \$1,150 more was forthcoming from the Treasury.

All told, the Government has dumped upwards of \$72,000 into these projects since 1900.

In the Great Pedee, a South Carolina stream, the Government invested \$215,700,

beginning with \$1,500 in 1901 and ending with \$2,000 in 1918. Since 1918 the Great Pedee hasn't been federally "improved." Its record in 1908 was \$42,000.

Three other South Carolina streams, the Santee, Wateree and the Congaree, were among those present at the federal trough in 1901 and were still lapping up the dollars in 1926 with but an intermission of one year, 1923. The start, in 1901, was with a trifle over \$30,000, which increased to \$45,000, \$54,000, \$61,000, \$66,000 and \$69,000. In the bleak year of 1921 Congress spent \$28,000 on these streams. Last year, apparently, there was spent but \$1,482 on the three streams.

That sum, however, is only the apparent spending of 1926. In recent years the annual rivers and harbors spendings have grown so large that Congress has cloaked the individual spendings under a blanket phrase covering "maintenance and continuance of existing projects." It is impossible, from the Treasury alone, to learn the exact sum spent recently on any project.

Blanket Appropriation Popular

HERE is the extent to which detailed spendings have been ridden by Congress under the blanket appropriation during some recent years:

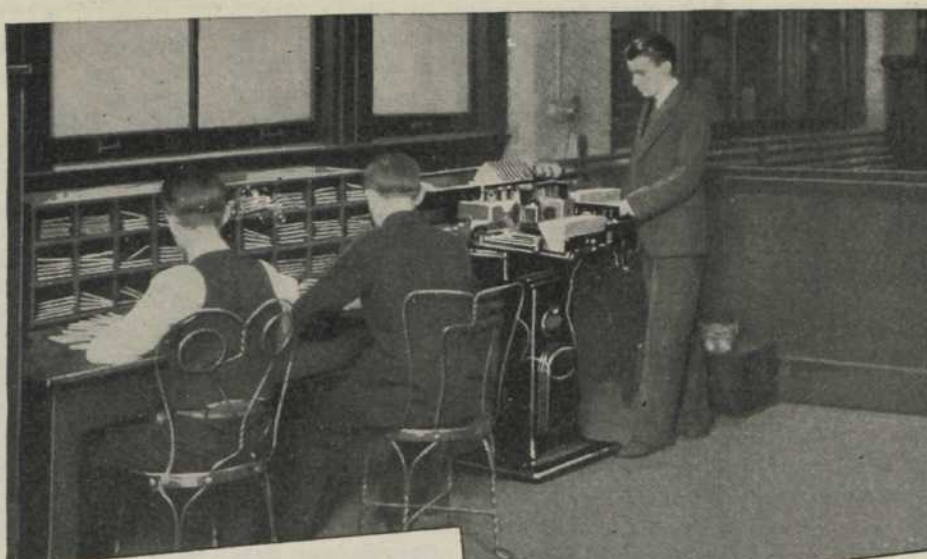
1920.....	\$1,817,456.33
1921.....	9,453,679.16
1923.....	22,293,540.77
1926.....	46,506,192.96

Interim years show a steady increase. The practice is meeting with progressive favor on Capitol Hill.

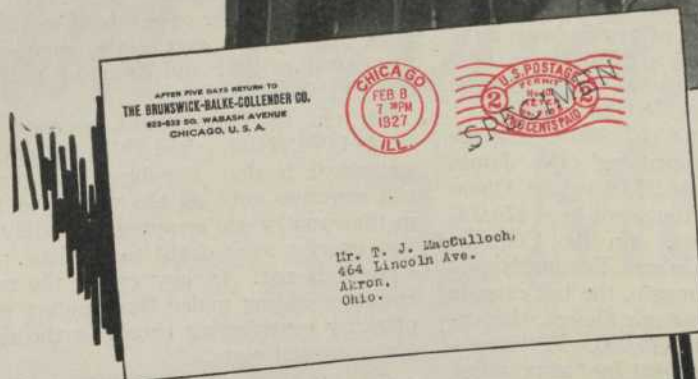
In detailed spendings for river "improvements" during the past twenty-six years, one finds Tuckerton Creek, a trickle traversing a tiny sector of New Jersey. Its "improvements" at federal expense started in 1903 with spendings of \$8,400. For the next nine years, save one, Congress cen-

An endless stream of "dead hands" keep attacking the taxpayer





Brunswick-Balke-Collender Co. Mail Room showing Pitney-Bowes Mailing Machine with Postage Meter in operation. This machine automatically feeds, separates, seals, imprints postage, postmarks and stacks mail, all in one operation.



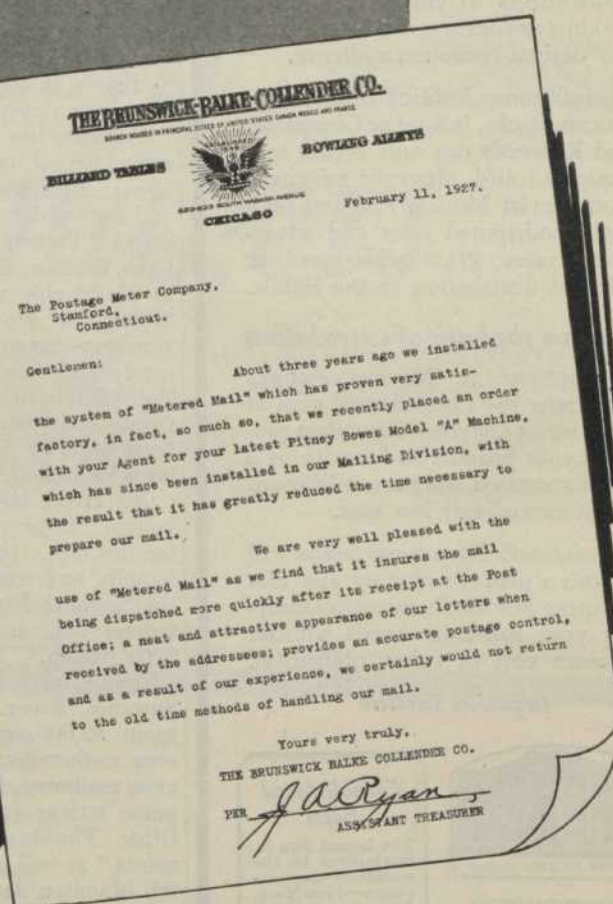
—and Brunswick-Balke-Collender uses METERED MAIL

EFFICIENT mailing is just as essential a part of the Brunswick-Balke-Collender Co. as the highest quality billiard tables. They realize as hundreds of other business leaders do, that high grade manufacturing should be backed by the best office methods and equipment. That's why they use the "Metered Mail" system for despatching business letters.

As evidenced in the letter at the right they appreciate the advantages of "Metered Mail"—quickest possible despatch, neat appearance and attention getting value.

Fill in the coupon—we'll gladly show you how organizations similar to yours are using "Metered Mail."

The Postage Meter Company
710 Pacific St. Stamford, Conn., U.S.A.
Sole Distributors of PITNEY-BOWES Mailing Equipment
Offices in Principal American Cities and Foreign Countries



The Postage Meter Company
710 Pacific Street, Stamford, Conn., U.S.A.

Please send facsimile letters from organizations in a similar field to ours, and complete information regarding the advantages of "Metered Mail."

Name _____
Company _____
Address _____
Type of Business _____

1893

Postage Meters are the only devices authorized by the Post Office Department for printing and recording postage.

Now— Motion Pictures

for Sales Promotion Plus Consumer Circulation

*A new guaranteed Advertising
Service, reaching millions at
surprisingly low rates*

THROUGH this unique Consolidated Service you can secure absolutely undivided interest and continuous attention for your product or your service directly from any desired consumer audience.

Manufacturers, Public Utility Corporations, Banks, Insurance Companies and Railroads can now secure well designed and cleverly executed Commercial Motion Pictures, with their undisputed sales and advertising value, PLUS widespread or selected distribution to the Public.

Sold on the basis of Circulation

COMMERCIAL Motion Pictures under the Consolidated plan of *Guaranteed Consumer Circulation* presents your product and service in a vivid animated story for millions to see at exceedingly low cost.

Consolidated's Educational Service will submit a plan for making and distributing Motion Pictures after studying your particular needs without advance cost or other obligation.

Inquiries Invited



LONG ISLAND PLANT
Educational Service
Headquarters



PLANT NO. 1 HOLLYWOOD



PLANT NO. 2 HOLLYWOOD, CAL.

Consolidated Facts

The largest film laboratories in the world—6 operating plants—New York, New Jersey, California—six hundred million feet of film per annum. Noted for the highest quality product and service by the leading firms in the Motion Picture Industry.



NEW YORK PLANT AND MAIN OFFICES



CONSOLIDATED FILM INDUSTRIES, INC.

EDUCATIONAL SERVICE
Pierce and 8th Aves. Long Island City N. Y.

tinued to "improve" Tuckerton Creek, spending upwards of \$71,000 therefor. The "improvements" ceased abruptly in 1912, at a cost during the year of \$25,880, but Congress had a relapse in 1916 and spent \$5,000 on this majestic waterway, since which time there have been no further spendings.

In Connecticut, the Mystic and the Malden have cost the Federal Government \$284,000 since 1900; the Housatonic, \$114,000, and the Thames, \$113,800. On the Passaic, that ribbon of filth that runs from Paterson, N. J., to the sea, the so-called dirtiest river in the world (with 40 per cent of solids, I believe, in its sluggish content), the Government has spent \$1,773,000 since 1900.

Rivers, Rivers Everywhere

IN Delaware, the Mispillion, the Murderkill and the Appoquinimink have cost \$218,500 since 1900 for alleged "improvements." Maryland's little Patapsco River has been the location of particularly large expenditures (running to \$780,000 in 1907 and again in 1908), its total cost since 1900 being put down at \$4,258,000.

Congress has spent \$1,527,000 during the same period on "improving" the James River, in Virginia; \$12,000 on the Obion and Forked Deer in Tennessee, and \$74,000 on the French Broad. On the Coquille, Coos, Siuslaw, Chehalis and Yakima Rivers in Washington and Oregon, the bill exceeds \$1,000,000. On Swinomish Slough, the expenditure has topped \$116,000. Fifty thousand dollars has been spent for "improving" the Okanogan (Washington) and Pend Oreille in Idaho. More than \$2,000,000 has been spent on Trinity River, on which Dallas is located.

No river, however small, is safe from federal "improvement." For generations, for instance, "the old folks at home" lived happily and contentedly "Way down upon the Suwanee River," seeking no change, no federal aid, in "improving" their classic little stream.

Then Congress must have heard about the Suwanee River. In 1901 the Treasury spent \$2,000 on "improving" it. As the song mellowed with the fading years, Congress mellowed, too, and loosened the public purse strings for further "improvements." Other Florida waters needed "improvements," as well, among them being the Crystal, Manatee, Anclote and Withlacoochee.

In 1903, Congress bunched those four rivers with the Suwanee and directed the spending of \$9,700 in "improvements." The Treasury record doesn't show the kind of "improvements" ordered, but it does show that year by year Congress appropriated for those streams until, in 1909, the annual cost to the taxpayers for their "improvement" had mounted to \$105,000.

In 1918, when the nation was pouring its funds into the sinews of war, the "old folks at home" had to get along without any federal "improvement" of the Suwanee. The omission was handsomely corrected in succeeding years, however. Congress added three more rivers, two bays and a harbor to the group and began to spend—\$5,000 in 1919, \$24,900 in 1920, \$75,000 in 1922.

It has been spending ever since, though the kindly blanket appropriation hides the actual amount spent on the Suwanee, so

far as the Treasury records are concerned, since 1922.

Congress has been "improving" the Suwanee since 1901, and it isn't fully improved yet. Probably it never will be. The provable "improvements" to the Suwanee and its associated rivulets, creeks, bays and swamps total \$461,039.90 during the twentieth century. That sort of thing, once started, seems to go on forever.

Nor is the practice confined to rivers and harbors. In 1911, for instance, Congress decided that it would be a wise policy to have the Government acquire land in the watersheds of navigable streams. During that year somewhat less than \$10,000 was spent in pursuance of the policy.

The next year, \$111,518 was spent. And then the annual spendings began to climb. The record shows them by successive years, beginning with 1913, at \$897,000, \$838,000, \$1,138,000, \$1,480,000, \$1,992,000 and \$867,000 (in 1918). They have continued, year after year, ever since, running to \$1,179,000 in 1921 and dropping to \$750,000 in 1926.

All told, the Government has spent thus far \$14,076,924.17 (since 1910) in acquiring watershed lands. Possibly this spending will continue until all the watershed lands in the country are acquired. Possibly it is just exactly what ought to be done. Possibly it is not. In any event, the never-ending spending under this heading is one of many contributing causes to the rise in governmental costs.

Another of those endless undertakings to which the Government stands committed is the civilization of the Sioux. That goes back to the Act of March 2, 1889. Nearly forty years have elapsed and still poor Lo is uncivilized.

Twentieth-century spendings started off in 1901 with \$13,651.98. By 1903, however, the cost had risen to nearly \$85,000, when it sheered precipitately to only \$241 to 1904 and \$533 in 1905. One wonders whether the \$241 and the \$533 were spread thin over all the Sioux or whether they were spent on the most uncivilized individuals of the tribe.

Forcing Civilization

IN ANY event, more civilization was needed in 1906 and the Government spent \$14,327.75 therefor. In 1907, civilization was imperiled, so far as the Sioux were concerned, for Congress again fell down on the job, the Government spending but \$241.76.

The peril of 1907 was met valiantly out of the public purse, for \$336,785 was spent in civilizing the Sioux the next year. Thereafter annual spendings fluctuated, mainly rising, until 1914, when they reached their peak of \$960,850.44. Since then the annual spendings have dropped to an average of about \$250,000. In 1926 they were \$176,902.10.

It is the same way with education. Every year of the present century, the Department of the Interior has been administering a federal subsidy to "colleges for agriculture and the mechanical arts." That is entirely independent of the various subsidies flowing out through the Department of Agriculture.

In 1901, the amount of the subsidy was



Big Plant Executives, Retail Store Owners, and Department Managers




—are saving time and money, speeding up business motion, and reducing worry, work and overhead by use of Standard Autographic Register Systems.

**Do You
Want
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How?**

WHEN thousands of busy executives in every type of business, large and small, are making STANDARD Register Systems pay, certainly your good business judgment tells you, "Find out what it is all about."

Do it now by filling in the coupon below and attaching to your letter-head. Learn how STANDARD

Register Systems serve as the eyes of business, give executives complete control of their business, fix responsibility, stop careless mistakes and tell "who, when, where, why, what and how" of any transaction. As in other Standardized businesses they'll quickly pay for themselves in yours. Write—

THE STANDARD REGISTER COMPANY
257 ALBANY STREET, DAYTON, OHIO, U. S. A.

Standard

MANIFOLDING (Autographic Register) SYSTEMS—Roll or Flat Printing

THE STANDARD REGISTER COMPANY, 257 Albany Street, Dayton, Ohio

Without obligation, please tell me more about Standard Registers and how they quickly pay for themselves in uses checked below:

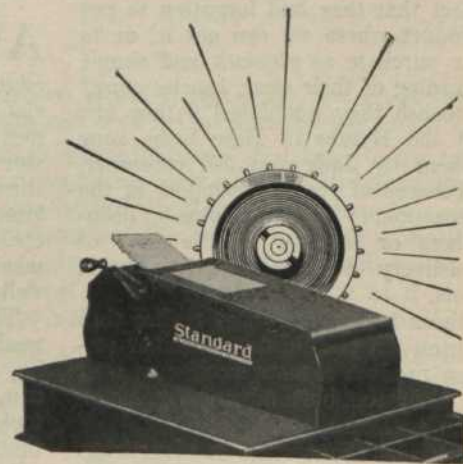
- | | | | |
|--|--|--|--|
| <input type="checkbox"/> Sales Records | <input type="checkbox"/> Production Orders | <input type="checkbox"/> Daily Summary Records | <input type="checkbox"/> Shipping Orders |
| <input type="checkbox"/> Invoices | <input type="checkbox"/> Express Receipts | <input type="checkbox"/> Charge Sales Slips | <input type="checkbox"/> City-County Systems |
| <input type="checkbox"/> Bills of Lading | <input type="checkbox"/> Receiving Records | <input type="checkbox"/> Stock Requisitions | |
| <input type="checkbox"/> Delivery Receipts | <input type="checkbox"/> Telephone Orders | <input type="checkbox"/> Packing Slips | |

Name

Address

City, State

N.B-9



Important! Standard Autographic Registers may be used for either roll or flat printing and, regardless of type of form used, the Standard "Kant-Slip" pin-wheel feature makes it absolutely impossible for additional copies of any form (up to six) to get out of alignment with the top sheet. They must be the same—line for line, word for word.

When writing to THE STANDARD REGISTER COMPANY please mention Nation's Business

\$1,200,000. It remained at that figure annually until 1908, when it rose to \$1,500,000. In 1909 the subsidy was \$1,750,000; in 1910, \$2,000,000; in 1911, \$2,225,000; in 1912, \$2,500,000. At that figure it stuck until 1923, when Congress tacked on an additional \$50,000 a year. During the past four fiscal years the annual subsidy has been \$2,550,000.

All told, the subsidy has cost the Government \$48,500,000 since 1900. It is a fixture, and in the course of a few years the annual levy may reasonably be expected to rise again.

Agriculture, as everyone knows, has been subsidized heavily during the past few years. So-called cooperative extension work, carrying the wisdom of the Federal Government to the farmers through state agencies, began in 1915 at a cost that year of \$480,000.

From that start the annual spendings by the Federal Treasury rose as follows:

1916.....	\$1,074,934.73
1917.....	1,577,923.73
1918.....	2,075,054.37
1919.....	2,568,066.29
1920.....	3,080,000.00
1921.....	5,031,577.73
1922.....	5,474,049.50
1923.....	5,810,348.45

Since 1923, the annual spending has been cut to about \$4,500,000. Since the policy was inaugurated in 1915 its cost to the

Federal Government has been \$40,831,461.59.

Another endless undertaking, although a minor one, is listed on the books as "Experiments in Dairying and Livestock Production in Western States." "Experiments" started in 1917 with spendings of \$17,500. They are still with us and show no indication of passing beyond the experimental stage for years to come. In 1926 they cost \$49,192. All told, they have cost \$353,221.88.

Investigations Galore

IN A previous article, reference was made to certain investigations undertaken by the Bureau of Standards. Here is their record, as disclosed by the Treasury ledgers.

Investigation of High Potentials was begun in 1914 and continued through 1921, a period of eight years. Total cost, \$89,194.50.

Investigation of Fire-Resisting Properties was begun in 1914 and is still continuing. It has already lasted 13 years. Total cost, through 1926, \$322,285.32.

Investigation of Public Utility Standards was started in 1915 with spendings of \$20,000. These spendings reached their peak, \$102,450, in 1921. They are still continuing. Last year they were \$99,279.14 through the fiscal year 1926.

Investigation of Clay Products started in 1918 with spendings of \$10,000. It is still continuing. Last year it cost \$25,357.15. Total cost during nine years, \$201,440.08.

Investigation of Mine Cars and Scales was

begun in 1918, is still going strong, and through 1926 cost a total of \$97,691.69.

Investigation of Optical Glass, begun in the fiscal year 1918, is now in its eleventh year. Its total cost, through 1926, was \$195,087.71.

Investigation of Public Utility Companies, for which \$50,000 was appropriated in 1919, lasted but two years at the end of which time nearly all of the appropriation was spent and the work ceased.

Investigation of Textiles was launched in the fiscal year 1919 and is now warming up. It is in its tenth year. Its cost, including 1926, \$149,185.61.

Investigation of High Temperatures, a minor undertaking, is now in its ninth year, having been started in the fiscal year 1920. Its costs about \$9,500 a year. Total, including 1926, \$66,371.24.

Investigation of Sound, started in the fiscal year 1920, lasted more than eight years. Its total cost, including 1926, has been \$36,958.28.

Investigations of radio-active substances, rope and automotive engines have been begun within the past three to five years and are just now hitting their stride. They look good for another ten years apiece, at the least.

As already said, possibly the taxpayer hankers after this sort of thing. Possibly, being busy with his private need of making a living, he doesn't know anything about them. Or maybe, he has forgotten them—one can forget a lot in ten years.

Take your choice—and pay your money.

Weak Links in the Selling Chain

IN THE excitement of running a business, no doubt it is hard to remember all the things one should do in order to win customers and to hold them.

Add to this the responsibility of being an advertiser, and business becomes quite a complex affair. At least it would seem so.

Else how could so many of our master merchants sing so serenely to us about the wonderful joy of buying and using their product, and apparently remain unconscious of the fact that they had forgotten to put their product where we can get it, or to make its purchase as pleasant and simple as the reading of their clear, concise copy?

How foolish they would feel if they but knew of the Hymns of Hate being sung about them by Jack and Jill consumer, simply because of slack suspenders in the sales department; of forgetfulness, disinterestedness or laziness on the part of clerks, delivery departments, distributors and others.

Sometimes I wonder if they realize that a slip-up on the part of even a minor employee can produce a more vociferous song of hate than the best advertising Halleluiahs can overcome.

We hear a lot about waste in advertising. Well, there is waste in advertising, and the greatest waste in advertising is one that could be, in many cases, greatly eliminated—the forgetfulness of the advertiser, the manufacturer.

To carry your prospect to the mountain tops with advertising Halleluiahs and then allow someone to kick the mountain from underneath him is a sure way to have him

By CHARLES PELHAM

F. J. Ross Company, Inc., New York

singing Hymns of Hate about you and yours.

To be specific, here are a few experiences which illustrate how forgetfulness and laxity in merchandising can bring about wastes far more insidious and potent than the waste of non-readers.

A FEW YEARS ago a leading New York store started getting my attention with advertisements that told about their special men's department. These advertisements told me that it was a real he-man's store: special elevators, didn't have to wade through a crowd of women, fine light in the store, lots of room, plenty of service, etc., etc. The illustrations in the advertisements were smart; the clothes shown looked well.

The advertisements kept coming. I kept reading them. Five or six years rolled by. . . . I went in one day. I wanted a suit, topcoat, hat and a pair of shoes. It took six years of advertising to get me into that men's department.

I came out without spending one cent. I shall more than likely never go in again. As far as I am concerned, the store in question did a slow but certain job of selling me this men's shop through advertising.

What was the trouble?

Their advertising halleluiahs were sweetly sung—truthfully sung. But there was a salesman there that made me forget the six

years of advertising in less than six minutes and left me singing, as you see, a Hymn of Hate.

Not literally, of course. In fact, I think the store in question a wonderful one—probably about as good a store as one could find. I have no real grievance. I am only sorry that the money that was spent in advertising to get me into the store was thrown away in a few minutes by a salesman.


You probably know what I mean: a condescending attitude; first suit on "Oh, just the right thing for you"; evident disgust when I expressed a desire to look over the stock. Rush-rush-rush; sell-sell-sell; suits whisked out, whisked on, whisked off.

Finally, when the sale looked doubtful, a snippy, ugly, attitude and this remark: "Well, I have shown you everything we have, and even then I couldn't sell you. You are pretty hard to please."

No "sorry," no "come again"—not even a "good day."

Yes, there is waste in advertising—and how unnecessary it is! How discouraging it would be to this advertiser if he knew he had spent six years and probably a good many dollars to create a prospect and get him into his store, and then have him annihilated in less than six minutes!

THE HOUSE looked a bit dingy. It needed brightening up. For some time I had been noticing some rather interesting advertising on the decorative qualities of wall paper. You could do such wonderful things with wall paper. The advertise-



Beautiful durable
desks like these
command respect
for your business

*Business Office of The
Ohio Bell Telephone Co.
at Cleveland, equipped
with GF Allsteel Desks.*

—and surprisingly low in cost

SURROUNDINGS play an important part in the impression created by any business. The buildings, personnel, equipment, all convey certain ideas that help the public form its opinion of that business.

In the office, nothing so effectively creates a favorable atmosphere as GF Allsteel Desks.

Steel has beauty of line and finish that brings refinement and good taste.

Steel has permanence and indestructibility that reflect these qualities on the business as a whole.

*Allsteel Office
Equipment
also includes*

Safes
Filing Cabinets
Sectional Cases
Tables
Shelving
Transfer Cases
Storage Cabinets
Document Files
Supplies

Steel outlasts wood many years, yet costs no more than wood of acceptable quality.

Rich, oven-baked enamel finishes—easy to clean and retaining their newness indefinitely; restful, washable Velvolum tops that do not mar or become rough; drawers always smooth and quiet; fire and humidity are effectively resisted. And steel makes every one of these desirable advantages a permanent feature.

A GF Allsteel equipped office inspires pride in your own organization and respect in the minds of your customers or clients.

THE GENERAL FIREPROOFING COMPANY
Youngstown, Ohio

Branches and dealers in all principal cities • Canadian plant: Toronto

GF Allsteel
THE COMPLETE LINE OF
OFFICE EQUIPMENT

ATTACH THIS COUPON
TO YOUR FIRM LETTERHEAD
THE GENERAL FIREPROOFING CO.
Youngstown, Ohio

Please send me a copy of the GF Allsteel Desk catalog.

Name

Address

City State N. B.



Spend February in Hawaii with the C. of C. Convention!

Plan your vacation now—so you can visit Hawaii when the Western Division of the U. S. Chamber of Commerce meets in Honolulu next February.

Eleven Western States, the territories, American Chambers around the greatest of oceans—all will send their delegations to this mid-Pacific Paradise. Members of all Chambers, of course, are invited.

Hawaii's marvelously beautiful islands form an unprecedented setting for this great international gathering and for the Chamber's inspiring program on the vital topics of the West and the Pacific. Every modern convention facility—including a new \$4,000,000 hotel and new steamers costing \$10,000,000.

Special Rates to Delegates

Railroad and steamship lines and Honolulu hotels are granting special rates to delegates and families. Steamers direct from your most convenient Pacific Coast port—San Francisco, Los Angeles, Seattle and Vancouver, B. C. Make your round-trip reservations NOW—to be sure of the accommodations you desire.

Plan your year to combine a refreshing sea-voyage, a new opportunity to get better acquainted with men you ought to know, a great business meeting, and a visit to "Aloha Land,"—all well within the limits of your time for recreation.

HAWAII—the world's new island playground—is fine *any* time! Come for a vacation whenever you can, and find how many new things there are to do—and how many new ways to rest and do nothing at all—in this paradise where it's summer all winter and spring all summer.

Write for interesting details in the beautifully illustrated free booklet in color and the "Tourfax" travel guide to Hawaii.

HAWAII TOURIST BUREAU

236 McCANN BLDG., 451 MONTGOMERY ST.,
SAN FRANCISCO, CALIF.

When writing please mention Nation's Business

ments of the wall-paper manufacturers had been getting under my skin.

Along came a local store with a campaign. It gradually convinced me that I wanted not only wall paper but *their* wall paper.

The advertisements were good to look upon—well written. They gave me the impression that here was real wall-paper service.

I went in the store one day all ready to spend money.

As I went in, two clerks stood in the door. They failed to follow me in and continued talking at the entrance. I was determined to have wall paper, so I went on in anyhow.

Another clerk sat near the window, looking longingly out on the avenue. Finally he became aware of my presence. Instead of rising and coming forward, he called from the chair, "Can we do something for you?"

He continued to remain seated. I was stunned for the moment, for none of the advertisements I had read were quite so reserved, so restrained as this. I told myself, "Steady; you are on the avenue. This is an exclusive store."

When I regained consciousness I walked towards this gentleman, and as I did so he gradually rose. Fantastically, I thought what a delight it would be to feed him each morning a dozen of those wonderful advertisements his company was running.

Is there waste in advertising? There certainly is, and will be, so long as advertisers forget to teach their salesmen manners equally as good as those of their advertisements.

BUT YOU have to wait two weeks. They make glass and pottery. Beautiful ware it is, too! Lovely colors and fascinating shapes—vases that would make alley flowers look rare.

I had often wondered why they didn't tell the dear public about it all.

One day they did—not so very long ago—in exquisite full color advertisements, and the very first advertisement sold us.

We had been looking for two living-room lamps. We knew what we wanted, and evidently the advertiser knew what we wanted. For right there in the first advertisement was the lamp, and the New York office address.

We went to that address. We saw the lamp. We wanted to take two of them home with us. In preparation we had disposed of several shares of steel preferred.

It was then we heard: "Why, it will take two weeks to deliver them. Our stock is in Boston, and it always takes about two weeks to get an order through."

And Boston only six hours away!

I have been told that they carried me out on a stretcher, and that, while I was perfectly calm, I insisted on trying to divide six hours by two weeks.

THE COMPANY is a whopper—large enough, in fact, to take double-page color spreads in Mr. Curtis' little weekly, and rather frequently, too.

One of the advertisements called our attention to a product of theirs which was completely made, and could be bought as

easily as a can of beans, although it is a piece of cabinet work.

We needed one. So not long ago we looked up the great company's local address and paid a call, carrying with us the family check book and a well-filled fountain pen. As far as we were concerned, we were all set to buy. The advertising had done its job well.

In the office we found a young woman who knew less about the company and what it made than we.

Cheerful though she was, she could only repeat that the manager was out and that a lumber yard in New Rochelle "was carryin' the chest," and if we would go out there and see them they would be glad to let us have one.

I looked at my wife. My wife looked at me. And while we didn't say it then and there, we both thought it—so this is advertising.

What a tumble we took—from efficient looking, authoritative, double-page spreads in the *Post*, to a New York sales office that "don't know nothin'," and that asks you to go to New Rochelle if you want to spend money with them to help pay off the bills from Mr. Curtis.

I DIDN'T need the coat. In fact, I went in the store for the express purpose of buying a hat. But I happened to look at the coat while passing in.

The courteous salesman who quietly and intelligently waited on me had seen that stolen glance.

When the right moment came, he suggested that I slip it on to see how the hat looked with a dark coat. Well, it looked fine. In fact, both looked fine, and a 20 per cent discount was being given on the coat. I took both.

The coat was to be altered—sleeves longer. When it came the sleeves weren't long enough. They were sorry, but the only thing they could do was to make me another coat at the full price.

Good-bye 20 per cent discount.

Then the other day I received this letter:

DEAR SIR:

We are returning herewith your check in the amount of \$25.00—as we find upon investigation that the coat you selected was to be altered according to your instructions, and as our Coat Department later found that this alteration could not be made, we feel you are justified in obtaining a new coat for the same price.

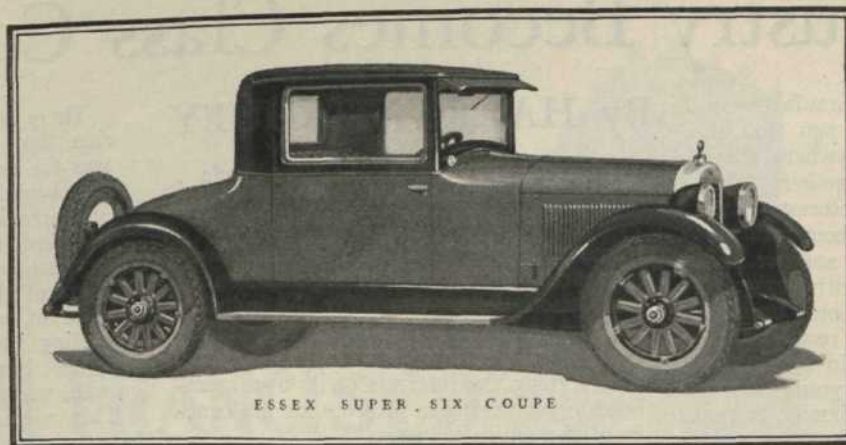
A special order has been placed for this coat and we shall ship same to you within the next two or three days.

Very truly yours.

Could there be any doubt about the kind of a song I shall sing for that concern? I have already told the story to the whole office. Like "gettin' religious," it's the sort of an experience you can't keep to yourself.

So I wind up this indictment by singing a Halleluiah for the retailer and the manufacturer whose merchandising lives up to their advertising.

And in case the moral of these random notes be lost sight of, let me say that I didn't buy my coat in a store whose advertising works six years to get you in and whose salesmen need only six minutes to walk you out.



An Ally to big and little business The Essex Fleet Policy

Advantages offered by the Essex Super-Six were so overwhelmingly apparent that fleet owners have turned to this master car to solve their transportation problems with an enthusiasm equaling that of individual owners whose endorsements swept the Super-Six to the greatest triumph in Essex history.

This demand on the part of fleet owners has enabled us to offer a fleet policy, embracing a fleet service plan, which carries further outstanding advantages to transport executives, sales managers and small businesses alike.

Value, economy, smooth six-cylinder performance with lowest operation and maintenance cost, long-wearing reliability, and riding and operation ease unapproachable in any car of its beauty at anything near its price . . .

The exclusive high-compression

anti-knock motor turns waste heat to power—the most powerful we know in the world per cubic inch of piston displacement—and the most economical for the results it gives.

Our transportation division, staffed by experts, is thoroughly conversant with the problems of modern business transportation. It can show you how problems have been successfully overcome by others in a similar business to your own and working under similar conditions.

These advantages mean a cutting of sales costs, an increase in sales and fitting representation for your product. They should not be overlooked in the face of today's stern competition.

There is an Essex transportation expert near you. Discuss your problems with him. You will be under no obligation.

HUDSON MOTOR CAR COMPANY—DETROIT

ESSEX *Super-Six*

An Industry Becomes Class Conscious

THE ICE-CREAM manufacturers decided twenty years ago that if they were to get anywhere they would have to get there together. The realization of common interests and common problems roused them into industrial consciousness, and another industry stepped into the competitive ring.

The industry drafted its best brains for leadership, dug deep into its resources, marshalled its forces into a solid fighting line. Today, although one of the youngest members of the dairy products family, it ranks as one of the foremost. Numbered in its ranks are approximately four thousand wholesale manufacturers with a capital investment of close to half a billion dollars.

The industry is meeting outside competition by the organized force of cooperative effort and without the impairment of individual initiative or individual sales promotion. In 1905, every American consumed 1.04 gallons of ice cream. Last year he ate more than double that amount, or 2.77 gallons. This was due to the cooperation of those in the industry.

Problems of an Infant Industry

FACING the baby industry two decades ago were problems of regulation of trade practices to forestall ruinous restrictive legislation, the bugaboo of almost every food-products industry; problems of devising improved methods of manufacture and improved equipment to meet increasing demand; problems of meeting this demand at a lower cost to the consumer and with better quality of product; problems of balancing the summer peak production by the stimulation of off-season trade.

The germ of cooperation in the ice-cream industry originated early in this century in the meetings of manufacturers from Iowa, Illinois and Indiana, who formed an organization known as the Three I's Association. But the germ of cooperation was too strong to recognize territorial limitations. Manufacturers of other states realized they had common interests that were not identical with the confectionery industry and the milk industry, with which many of them were identified. The original association expanded into the Central States Wholesale Ice Cream Manufacturers' Association.

The cooperative germ found these limits still too confining. It would allow its operations to be hemmed in by no artificial barriers. It needed freedom of movement and exercise of its strength the natural expanse of the industry and, in response to this need, the ice-cream industry organized itself in Chicago, in February, 1906, into the National Association of Ice Cream Manufacturers.

The National Association represents the broad outline of the cooperative movement. There were wide spaces in this outline that had to be filled. Hands reached across trade territories which, in some instances, were embraced in state boundary lines, in other instances in groups of states, and formed state and regional associations. Manufacturers in large cities, or in cities

By **HARRY W. HUEY**

Associate Editor, The Ice Cream Trade Journal

whose proximity knit them into one business area, united in the organization of local associations. Gradually the industry built up an intricate network of cooperative groups, each independent yet interlocking, each serving the interests of its own membership yet joining in projects for the benefit of the entire industry.

This program of industrial development, to which the industry has cooperatively dedicated itself, is supported by four main agencies. The first in chronological order is the organization of firms and individuals upon whom the industry depends for its machinery, equipment, supplies and services. That organization is only eight years old, but its members have played an important part in the development of the industry.

Without them the industry could not have progressed as rapidly as it did. By careful study of the mechanical defects of the cruder equipment, these men have evolved new types to facilitate the manufacturing and the distribution process, and the manufacturers have cooperated with the supply men by lending their plants for experimental purposes.

Thus have come new, improved testing equipment, which permits the ice-cream man to equip the splendid laboratories which constitute a necessity to insure a high quality of product in the modern plant; improved sanitary equipment, which enables the manufacturer to attain the standard of cleanliness toward which the industry has constantly striven; and material-handling apparatus, such as conveyors, packaging and other equipment, to replace hand labor.

Cooperative Spirit Renewed

WITHIN the past few years the ice-cream manufacturers have experienced a renaissance of the friendly cooperative spirit and have renewed their determination to get somewhere by getting there together.

They needed first of all to procure accurate knowledge of trends and conditions of their business, to follow facts instead of the vagaries of guesswork. Lack of knowledge and lack of information cause a great waste of money and many business failures. Very few individuals have available, or know where to find available, facts concerning the industry in which they are engaged. Furthermore, it is impossible for an individual to obtain and acquaint himself with all the facts of value about his industry and his product because they are not found in one place. Nor can these facts be obtained without the cooperation of other manufacturers. The ice-cream industry decided that the best way to keep informed and to avoid the pitfalls of guesswork was through the establishment of a fact-finding and fact-distributing center.

There is more importance to this decision than appears on the surface. It was the death-blow to one of the greatest stumbling blocks in the way of full and earnest cooperation. Manufacturers had jealously hugged what they called their "trade secrets." The work of advanced thinkers of the industry who had through a score of years labored to remove this stumbling block, pointing out its futility and the bar it presented to industrial growth, was at an end.

This victory of the cooperative germ led to other accomplishments. Business men know that an industry cannot go forward on manufacturing, sales and distribution facts alone. An industry must know its costs; knowing them, it will be able to eliminate waste. It must know its operating expenses down to the minutest detail in this era when competition is ever growing keener. All uneconomical loopholes must be stopped.

Good business does not mean simply operation at a profit; it means, also, operation at the lowest possible cost.

The machinery needed to obtain this low operating cost, the ice-cream industry reasoned, using as a guide the experiences of other and longer established industries, is a good accounting system. To make this system effective to the highest possible degree, it must be uniform and adaptable to both large and small plants.

Advertising in the New Competition

BECAUSE it represents a wider acknowledgment of the value of cooperation, the most important item in the industry's program of development is the campaign of advertising and publicity. It is the ice-cream industry's weapon in the new competition which has arrayed industry against industry and which has set the wheels of our industrial life moving in a direction undreamed of a score of years ago.

Ice-cream manufacturers realize that it is not a question of Jones' ice cream in competition with Smith's ice cream, but ice cream, the product, in competition with hundreds of other products clamoring to gain the attention of the public and to claim a share of the consumer's food dollar. This attitude is best expressed by Fred Rasmussen, executive secretary of the National Association of Ice Cream Manufacturers, who said recently:

A few years ago, in business and in industry, it was every one for himself to get all the business possible without a great deal of thought as to the method used or the reputation of the industry. The only competition which counted was individual against individual. During the last twenty years there has been awakened among manufacturers and other groups a cooperative consciousness, not only to protect their industry but to advance it through cooperation. The new active force in American business life today is the trade association, and students of economics declare that we are now entering the Association Age of Business; that is, cooperation within the industry as compared with the individualistic competitive age which we are just passing through.

IN SAN FRANCISCO

the Russ Building now takes its place in serving the financial and commercial progress of the Pacific Coast. The leadership of San Francisco created the need for an office building of monumental character. On Montgomery Street, midway between California and Market Streets, the tower of the Russ Building now marks "The Center of Western Progress."

The Russ Building will be nationally known as the business home of leaders of western finance, and of commercial organizations of nation-wide activity. Among the tenants who have taken floors in the main portion of the building are the General Electric Company and the United States Steel Products Company.

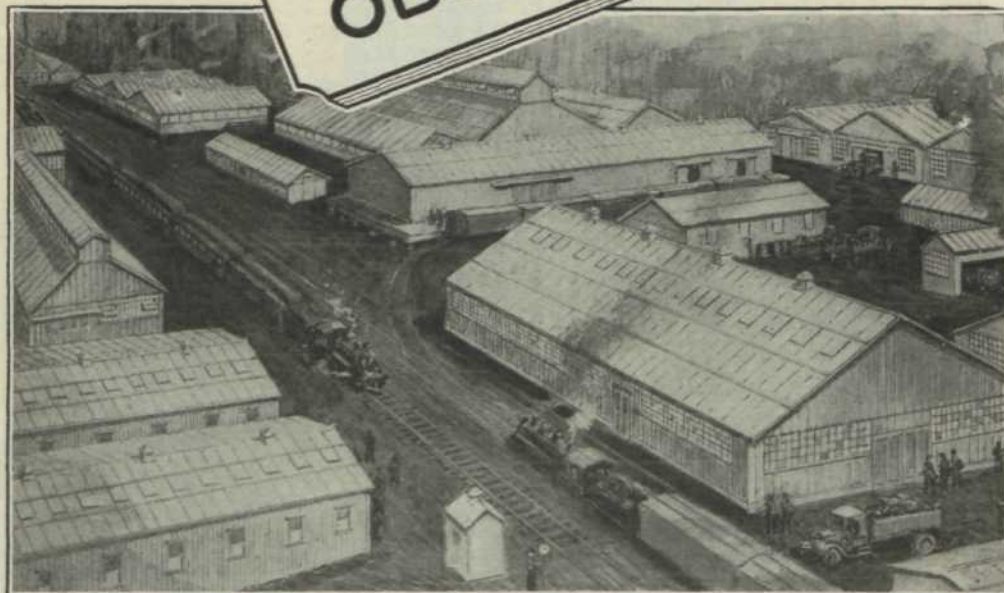
The 30-story Russ Building is equipped with a 400-car garage for tenants' use. Other unusual service features are the Law Library of the San Francisco Bar Association and a well-equipped Gymnasium with massage and shower baths and lockers for members. For the convenience of tenants, these are placed on the "Service Floor" with the Barber Shop, Women's Club Rooms with hairdressing and manicure shop and circulating library, Stationer, Public Stenographers, Notaries Public, and the office of the Russ Building.

For complete rental information
Address the Russ Building Company
Russ Building, San Francisco



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The best materials and workmanship in all-steel construction—copper-bearing, galvanized steel sheets joined by sliding, weather-tight joints and standard unit structural steel frame. Blaw-Knox Buildings are completely weatherproof, fire-safe and rust-resisting. The roof is protected by a ten-year insurance policy against corrosion and disintegration.

Blaw-Knox Buildings are flexible as to size, shape and style; can be shipped immediately from stock; are quickly and easily erected and low in cost.

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Progress Through Self-Interest

BY EARL REEVES

THIS is the story of a certain John Smith, a business man. He had a knack of getting things done, and his line was automobiles.

He was holding a very big job in a huge and presumably soulless corporation five years ago when his boss came and said:

"John, we can pay you a pretty good salary and consider you worth it; but we want to do better than that, so we have a nifty new scheme for making you a partner."

Or it was something like that.

John listened and found that it was going to cost him about eighty thousand dollars. He put up the eighty—and he never got it out of his mind.

You see, it was really a big block of stock that John had a chance to acquire, and he had to pay for the rest of it out of earnings. By the agreement with the boss, John got the dividends; and then, in addition, he got a percentage of all the company made beyond a certain sum.

Profits for Executives

IN ROUND figures, this is what happened:

The next year—that would be 1923—John drew down \$70,000 in dividends and profit-sharing percentage.

In 1924 he shared in his boss's prosperity to the tune of \$110,000—straight dividend and extra percentage.

By 1925 he had got into the habit of delivering extra licks and business was booming, so that in dividends alone he got \$100,000, while his excess profits slice was \$80,000—or \$180,000 for the year. (I don't know what salary he was getting—but nothing small.)

The recent check-up on the 1926 record is even more striking:

John had a dividend score of \$150,000 last year, and his "extra bit" was \$140,000—or \$290,000 in all.

Let's see, now: "On paper" John has drawn out \$650,000 in four years, having put in \$80,000 plus his best brand of business brains. But that is a "piker figure"; that is only a part of the story. By his own boot-straps he lifted himself much higher than that.

John Smith, Big Business Executive, admitted to a profit-sharing program, put in eighty thousand dollars five years ago and he is worth three millions today.

And when the business world has assimilated this fact into its system a new business epoch may be born. In one epoch which we can recall, both employe and public could "be damned." In another, much blah was broadcast; and many thought that if you but called him "brother" and shed "sweetness and light," any employe—executive or day-laborer—would yield his shirt, gladly. John Smith's boss greased the wheels of progress with self-interest.

So that John, who might have been a

\$50,000 or \$60,000 a year man in another concern, became a \$600,000-a-year man instead; in five years he made his stock holdings worth three millions.

John Smith—you may have guessed it—is the "average" senior executive of General Motors. In this one corporation there are sixty like him—sixty executives whose "average" has been approximately three millions in earnings since 1922; though I do not believe the facts ever before have been revealed in such an analysis as this.

These men were in part men who came into the motor combine as heads of companies purchased, and in part men who hewed their way upward through the ranks in the parent company. The president himself, Alfred P. Sloan, Jr., generally credited with inventing this profit-sharing scheme, entered General Motors as the head of an accessories combine, after starting at a drafting board.

These major executives were sold stock "on time"—\$33,750,000 worth—paying five millions down. This was held by a "Managers Securities Company," and still is so held, for the actual division of assets is not to be made for two more years.

In four years these sixty executives who made General Motors:

Received in dividends.....	\$24,000,000
Received in profit-sharing..	16,000,000
(And, Presto! at nearly	
\$200 a share.)	
Own stock valued at.....	168,000,000
And the indicated assets are	208,000,000

Out of this sum pay off the twenty-eight-odd millions owed on the stock originally purchased, and the balance is a hundred and eighty millions, or an average of three millions a man for the sixty "super-executives."

No yard-sticks exist by which to measure the exact consequences, past or future.

One cumulative effect of this intelligent harnessing of self-interest may be seen, however, in the rising scale of dividends collected by the executives. In round numbers, the total climbed thus: three, five, seven, ten millions; while the dividend rate—based on the price paid for the stock—romped upward under "selfish impetus" thus: 8, 14, 20, 30 per cent. Profit-sharing collection started below two millions and ended above eight millions.

Giving Up to Gain

THE DUPONTS sold the Managers Securities Company the "nest egg" stock which subsequently hatched such an incredible brood of millions. In selling, the DuPonts surrendered potential profits; but since they sold this block, the stock which they retained has appreciated in value by more than a quarter of a billion.

Finally, the value in Wall Street of all General Motors securities has risen to such an extent that during May, with Motor Common around 196, it would have cost you more to buy up General Motors completely than to buy the United States Steel Corporation. General Motors was, if not the biggest, then the most expensive industrial corporation in the world.

And, as I say, when the business world has assimilated into its system all these facts and their significance, a new business epoch may be born.

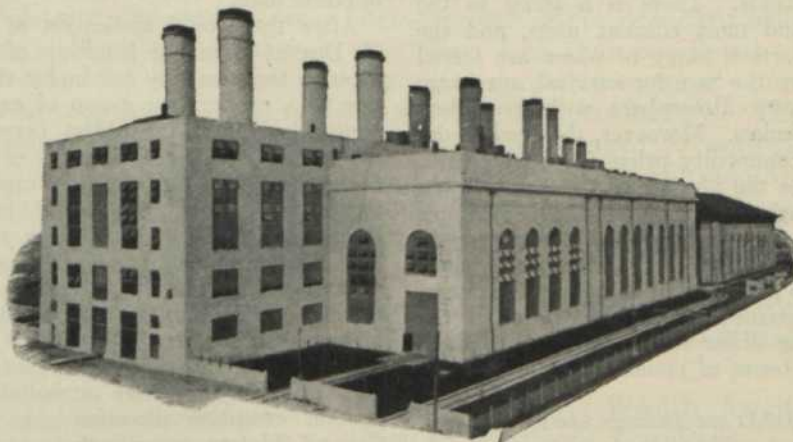
"MODERN" PLANTS

STONE & WEBSTER, Inc., built a station in 1894. An account, "A Modern Power Plant," contains these words:

A complete mechanism, every part designed to work with every other part ... in case of accident to any member, some other can perform its duty ... energy put on the line surely and cheaply ... must be no shutdowns, either steam or electrical ... every device and arrangement a good investment ... constructed and equipped under constant supervision and care.

Written when 2000 kw. was an important installation, this remains a good description of Stone & Webster power work. It shows the sound early foundation on which rests the experience offered Stone & Webster clients today.

INDUSTRIAL IMPROVEMENT COMPANY
OF BOSTON
OLD ALLENTOWN, PA., PLANT



SOUTHERN CALIFORNIA EDISON COMPANY
LONG BEACH PLANT No. 2

STONE & WEBSTER

INCORPORATED

BOSTON, 49 Federal Street
NEW YORK, 120 Broadway
CHICAGO, First National Bank Bldg.



PHILADELPHIA, Real Estate Trust Bldg.
SAN FRANCISCO, Holbrook Bldg.
PITTSBURGH, Union Trust Bldg.

What the World of Finance Talks Of

THE AMERICAN
consumer continues to
make prodigious de-

By MERRYLE STANLEY RUKEYSER

which boasts of an open
mind and which is perpet-
ually changing its models in

mands for merchandise. This fact is basic and is the fundamental explanation of the prolonged period of relative prosperity. In view of the extraordinary competition among sellers to win the favor of buyers, observers are prone to lose sight of the rapid pace at which merchandise is moving from maker to user.

The country is still in the midst of an unprecedentedly fertile era of wealth creation and use. Together with consumption on a scale never before equalled, capital accumulation on an unwanted scale continues unabated, and in this fact is the key to the protracted upward surge in the price of investment securities.

The seemingly insatiable demand for luxuries and utilities scarcely keeps pace with the advancement of technological knowledge in the realm of production. Each new labor-saving device and each further elimination of waste adds to the potential output of the country. The nation is threatened with industrial overequipment not so much from building new plants as from progress in doing work more efficiently. Accordingly, there is some reservation on the part of business managers in driving quantity output to the utmost without relation to effective demand. As a result, business leadership is passing increasingly to men of merchandising and advertising skill. The salesman is crowned with new honors and prestige.

The heightened competition among sellers beclouds the huge physical volume of current trade. There is a trend to the largest and most efficient units, and the weaker factors, many of whom are forced to give up the race for survival, surcharge the business atmosphere with grumbling and pessimism. Moreover, the gradual decline in commodity prices for more than a year gives the illusion of a recession, even where physical volume is as large or larger than in the corresponding period a year ago. That is, of course, because business men, who look to their ledgers for guidance, are accustomed to think in terms of the fluctuating dollar rather than in the more constant terms of pounds or gallons.

RAILROAD car loadings are a significant current guide to trade in terms of volume. In spite of some decline in July loadings, those for the year to date compare favorably with the corresponding period of 1926. The best forecast of future loadings are the reports received from thirteen shippers' advisory boards by the Car Service Division of the American Railway Association. Car requirements for the third quarter have been estimated at 9,992,580, compared with 9,576,383 in the corresponding quarter of 1926. This represents an increase of 416,197 cars, or 4.3 per cent. Only the boards, representing the Pacific Northwest and the Southwest, predicted a decline. The expected gains range from 11.7 per cent for the Central West to 0.3 per cent in New England.

THE SUMMER setback in industry was largely seasonal. According to the computation of the economic sages at Harvard University, manufacturing activity declined from 7 per cent above normal in March to normal in the fore part of the summer.

STATISTICS concerning industry are somewhat thrown out of balance by the fact that Henry Ford's, one of the nation's basic industries, has been in a transitional period.

Reference is not made to his mass output of apologies to the Jews but to the discontinuance, after nineteen years, of the illustrious Model T and the inactivity which prevails at the Ford plants as the equipment is retooled for the new model. According to motordom gossip, when the new Ford car is ready, it will constitute an apology to the gear shift manufacturers. Seemingly, Henry Ford is making peace with all except Wall Street, but perhaps the Detroit manufacturer should be ungrudgingly allowed to have at least one bogey.

THEORETICAL observers are priming themselves for the coming war between Ford and General Motors, but the practical souls who express their opinions by stock purchases at the great whirlpool of speculation have, up to this writing, revealed no fears about the capacity of the duPont-Morgan automobile colossus to hold its position of leadership. Ford and General Motors have succeeded along diametrically opposite lines.

After the second abdication of William C. Durant from the headship of General Motors, the company fell under the direction of a cooperating group of executives, handpicked from the ablest personnel of the industry. The new leaders of General Motors were backed by the capital and mental acumen of the duPont family in Wilmington and by the banking advice of J. P. Morgan & Company. The new management, continuing the vision of the founder of General Motors, continued to make a car for every purse, but rapidly eliminated duplications and waste. The best available knowledge in manufacturing and in executive direction was applied. General Motors accordingly represents a flowering of the best in orthodox big business.

On the other hand, the Ford Motor Company, until its significant slump of the last year and a half, did rather well along unconventional lines. Henry Ford became accustomed to command his associates rather than to cooperate as an equal. He has had little interest in trade associations or chambers of commerce, preferring to play a lone hand. He has scoffed at profers of outside capital, asserting that stockholders are parasites. He refused to take loans from Wall Street and denounced the money power of the great reservoirs of credit.

Unlike the General Motors Corporation,

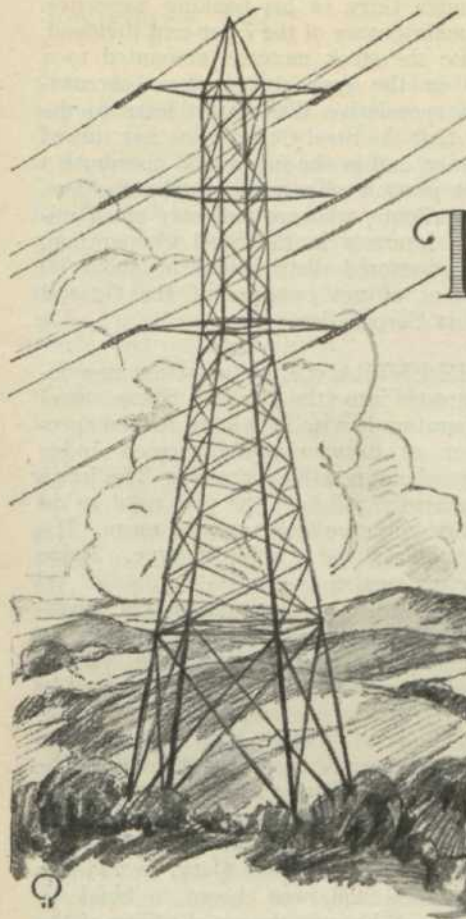
accordance with the progress of the automotive art, Mr. Ford stuck unswervingly to the model which found such widespread acceptance. He sacrificed beauty for economy, and he carried the principle of intense specialization to the nth degree. Mr. Ford long prospered because he was the first to recognize the widespread popularity of the automobile, which other pioneer manufacturers were inclined to look upon as a luxury product for the wealthy. Until comparatively recently, he had virtually no effective competition in the low price field. As one leading Wall Street figure remarked, "Mr. Ford has been lucky. But at last he faces formidable competition. Now we shall see whether he is a merchant."

Two decades ago, the time passed for regarding Mr. Ford lightly. Over a period of time, the bizarre genius of Dearborn has shown extraordinary talents in mechanical decisions and in his timing of new business policies. The stage is once more being set for a new competition in economic ideas. Ford, who is unique, represents a survival of the individual venturer in commerce, whereas General Motors typifies the most modern expression of present-day big business. General Motors follows all the accepted rules of business success and efficiency, and the heterodox Henry flouts many of the conventions. A by-product of the battle will no doubt be an improvement in the models offered to the public and, very likely, further stressing of the price appeal.

THE FORMAL announcement that the E. I. duPont de Nemours Company had acquired 114,000 shares of the United States Steel Corporation at an average price of 122 has stirred widespread comment in the Street. The company also owns 25 per cent of the common stock of the General Motors Corporation, and financial gossips are wondering whether the duPonts will eventually acquire a dominant interest in the great steel company.

No single American family has ramified its interests in American industry more widely than the duPonts, who have turned from gunpowder to the sinews of peace. The duPont Company has specialized in the products of chemical research, but its command over capital has far exceeded the needs of its own business. The duPonts in the past have been so remarkably successful that the announcement of their investment in Steel caused a renaissance of speculative interest in the stock of the United States Steel Corporation.

Strangely enough, in spite of the prestige of the Steel Corporation, it has since the war sold relatively low in relation to the book value of its assets. Judge Elbert H. Gary's financial policies were marked by uncompromising conservatism, and accordingly speculators who like excitement were repelled. The declaration earlier in the year of the 40 per cent stock dividend, however, marked a concession on the part



What is back of the WEALTH OF PIEDMONT CAROLINAS

THERE'S prosperity and buying activity in Piedmont Carolinas... that fact is known—has been known for several years by sales managers of nationally distributed goods.

There is aggressive, hard hitting competition coming out of Piedmont Carolinas... that is known by manufacturers in many older, more stabilized industrial areas.

Every business man asks *why?*

The answer primarily is one of manpower. The South is too often visualized in terms of big, old plantation houses, live oaks, jasmynes, sluggish tidal rivers and sleepy darkies in the cotton fields.


Now turn to Piedmont Carolinas—the foothills. Here the rapid, tumbling rivers have been harnessed by modern hydro-electric plants. The population is only 29% colored, and the whites are 99% American-born, of old, native pioneer stock.

Living conditions are those of active, medium sized cities of the Middle West—for this is a bracing upland section. Broad, well paved roads stretch out in a wide network through the whole section. Modern centralized schools are everywhere.

It's the kind of country that makes any American feel at home—young, ambitious, thriving.

And the men and women who live here enjoy advantages not offered by other sections of the country.

A climate 15° to 20° warmer in winter than southern Massachusetts, yet cooler in summer than



northern Pennsylvania. Low living costs. A genuine, hospitable kind of life reminiscent of the nineties—yet enjoying all the modern 1927 conveniences.

Naturally a country that is just starting to expand its industrial development offers abundant willing labor. Less than one-fourth of the total available supply is now employed in manufacture. The remainder is engaged in agriculture, eager for industrial employment—keen, teachable and remarkably proficient.

All of these factors help build fortunes: a combination of efficient labor, economical power, rich markets.

That is why "Wealth Awaits You in Piedmont Carolinas."

Investigate. Get the facts that apply to *you* and *your* business. Our Industrial Department, Room 106, Mercantile Building, Charlotte, N. C., gladly places its facilities at your disposal. Write.

How Piedmont Carolinas Builds Wealth

Analysis of traffic through this section by one railroad disclosed the following classes of freight:

Agricultural products,	
both plant and animal	10.56%
Mine products	32.52
Clay, gravel, sandstone	10.22
Forest products	16.80
Manufactured goods and	
l. c. l. shipments	29.81

Diversified industry and diversified agriculture are noted wealth builders.

Why Labor Costs Less

Labor in Piedmont Carolinas costs less because of the mild climate and economical living conditions. Homes cost less because land and material are low in price. Heating costs are minimum. Food is low. All living costs are low and so—naturally—labor costs less.

On the other hand, labor gets *more*—more for every dollar of wages spent, a healthier, happier life, and a larger surplus left for savings at the end of the week.

PIEDMONT CAROLINAS Where Wealth Awaits You

DUKE POWER COMPANY

{ OWNERS OF SOUTHERN POWER COMPANY, SOUTHERN PUBLIC UTILITIES COMPANY & ALLIED INTERESTS }



—for up-to-date facts



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The National City Company

National City Bank Building, New York

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WELCH, CAMPBELL & LAWLESS
Chartered Accountants
Cost and Production Data

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Scientific Facts About Diet

A CONDENSED book on diet entitled "Eating for Health and Efficiency" has been published for free distribution by the Health Extension Bureau of Battle Creek, Mich. Contains set of health rules, many of which may be easily followed right at home or while traveling. You will find in this book a wealth of information about food elements and their relation to physical welfare.

This book is for those who wish to keep physically fit and maintain normal weight. Not intended as a guide for chronic invalids as all such cases require the care of a competent physician. Name and address on card will bring it without cost or obligation.

HEALTH EXTENSION BUREAU
SUITE C-433 GOOD HEALTH BLDG.
BATTLE CREEK, MICHIGAN

of Judge Gary to his banking associates. The maintenance of the 7 per cent dividend, despite the stock increase, amounted to a raise in the cash distribution. Accordingly, speculative Wall Street leans to the view that the Steel Corporation has turned a corner, and in the future will distribute a larger portion of earnings to shareholders. The duPonts, who are still only small minority interests in the Steel Corporation, have sponsored distributions of about 60 per cent of net earnings of the General Motors Corporation.

THE ENTRANCE of important new interests into the United States Steel Corporation inevitably started mental speculation as to who would succeed Judge Gary, who is now 80 years old. The judge undoubtedly will hold the post until he on his own initiative feels ready to retire. His successor may be a different type. Judge Gary is a symbol.

When the Steel Corporation was organized in 1901 when trusts were in disfavor, the late J. Pierpont Morgan, who was the moving spirit behind the merger, wanted to give the enterprise respectability. Judge Gary was not a Wall Street man but a middle western lawyer who had held public office. He brought a sense of public obligation into a business world that had recently been harassed with the "public be damned" slogan. Judge Gary, in addition to business skill, was chosen to build up public confidence in the social utility of the venture. Big business is no longer under suspicion. The public has come to recognize the economies of mass production and large unit operation. The theory of big business has become accepted. A new era has dawned, and the next head of the Steel Corporation will more than likely be selected primarily for his strictly commercial and industrial talents.

M. LINCOLN SCHUSTER, youthful publisher, is just back from Vienna, and, after observing the orderly manner in which Arthur Schnitzler files away his notes and correspondence, asserts that even artists are finding efficient business methods useful tools. "There is probably no more glamorous city than Vienna and no literary artist more subtle, no human being more tender and sensitive to the nuances of the spirit than Arthur Schnitzler," Mr. Schuster told me. "Yet he is a believer in the common-sense principles of system and orderliness. His folders are neatly marked and annotated. It is an emancipating thing—not an enslaving thing—this insistence on order. By making the routine things orderly, automatic, fool-proof, and forgetfulness-proof, the artist saves time, saves energy and unshackles himself from the irksome worries of the daily miscellany. He doesn't atrophy his memory. He fortifies it and frees it for higher things. He doesn't capitulate to the sordid and prosaic phases of a machine-like civilization. He frees the spirit and the muse. There is no worse foe of babbittry than H. L. Mencken, the Bad Boy of Baltimore, yet I am reliably informed that methodical order in filing and office routine is a passion with him. He is probably the promptest letter answerer in America. He has all his memor-

abilia and notes and records as far back as early childhood neatly classified and indexed. He doesn't guess. He knows. It is the man with the good memory, with the discerning mind who usually is quickest to fortify that memory and emancipate that mind for their creative functions by putting the ebb and flow of the day's work on a cleancut basis—in apple pie order. There is no virtue in carelessness. It is a dangerous and contagious habit."

We have all known that slovenliness was unbusinesslike. We now learn that it is not even artistic.

EDGAR L. SMITH, in his "Common Stocks as Long Term Investments," gave a new intellectual basis for public interest in junior issues. I recently asked Mr. Smith, chief sponsor for common shares, what policy the public ought to follow in respect to common shares when the country is at or near the last stages of a bull market.

"On the subject of a practical policy for investors toward common stock holdings toward the end of a bull cycle, I do not believe any investor would have any doubt as to what his policy should be if he were able to identify the end of a bull cycle. I do not feel like joining the large army of writers who disguise the fact that they are advising people to buy towards the bottom and sell towards the top."

INDIVIDUALS count for less in Wall Street than they did two decades ago. The market has become so big that the passing of any one man scarcely makes any perceptible difference. Few business successes were wedded more closely to a single personality than the May Department Stores, which were an expression of the merchandising prowess and bold venturesomeness of the late David May, a German immigrant who established his first store in Leadville, Colorado, and who at the time of his recent death controlled mammoth department stores in St. Louis, Los Angeles, Denver, Akron and Cleveland. In the next to the last week-end in July, Mr. May died unexpectedly from heart disease. The following Monday the shares of the May Department Stores showed a substantial net gain for the day. Apparently the Street felt—and I think rightly—that the brilliant organization which Mr. May created would continue to function efficiently after he had passed from the scene.

Mr. May was the outstanding American merchant prince after John Wanamaker. He had a genius for trading, and he possessed vast energies. But business America has become too big and too well organized to feel dependent on individuals, however large their stature.

ONE ASPECT of the new speculation in urban real estate is the passing of the old-fashioned landlord. Even the word "landlord" seems to be disappearing from the language on this side of the ocean. The new "landlords" are called owners. If of the speculative type, they build to sell, or acquire old properties to resell promptly at a profit. There is less of the old-fashioned retention of properties for generations. Thus the pride in ownership de-

To officers of corporations

Our analyses show that most public financing is undertaken for one or more of the following reasons:

1. To save interest charges.
2. To reduce sinking fund payments.
3. To fund current debt.
4. To unify and simplify capital structure.
5. To secure additional working capital.
6. To expand plants.
7. To finance consolidation with distributors.
8. To finance consolidation with raw material manufacturers.
9. To merge competitors.
10. To purchase interests of inactive or retiring stockholders.

If you have a problem in your company similar to any of the above, or if for any other reason you believe that a plan of financing would be to the advantage of your business, we shall be pleased to analyze your problem and submit what we regard as the most practical and economical program.



"We are paying too much interest"

The auditor was making his report to the finance committee.

The company had created a bond issue in the high money market of 1921. Since then sales and earnings had steadily increased, and the bonds were selling slightly over the call price.

The treasurer was in favor of re-funding with new long term bonds.

"Perhaps short term notes would be cheaper," said the president; "let's put our problem up to The Equitable Trust Company's Bond Department. They know the trend of the money market."

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How Should the Average Investor Regard FOREIGN BONDS?

THE nations of the world are no nearer geographically than they ever were. But in means of communication and in knowledge and understanding of each other, they are constantly growing closer. To prosper they must trade freely—lend and borrow and supply each other's needs.

Thus, it is more important than ever that nations protect their financial credit. That is a substantial safeguard to the American investor in foreign securities.

Many European countries are rapidly stabilizing financially. As they become better able to supply capital themselves, they can borrow at lower rates of interest. Some foreign bonds still afford relatively high yields; others yield much less than formerly.

As a means of increasing his investment income, the average American investor

may well consider including some foreign bonds in his holdings. But, he should diversify, both as to country and as to industry—never put all his eggs in one basket, whether investing at home or abroad.

When considering foreign government issues, it is important to know that the proceeds are to be expended in necessary and constructive undertakings. If the borrower is a private concern, the nature of its business, its assets, its earning power, and its outlook, should be considered—as would be done in the case of an American company.

In the last analysis, of course, the investor should depend upon the advice of a competent investment banker—one who has means of knowing the financial responsibility of the borrower, involving the political stability and business health of the country concerned.

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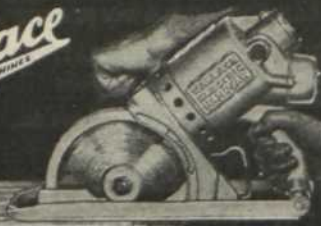
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GENERAL OFFICES: ST. LOUIS, MO.

clines, and owning part or all of the equity in a building is almost as impersonal as owning stock in a great corporation.

BUSINESS continues to grapple with the real and mythical menace of overproduction. Walter N. Polakov, well-known New York management engineer, believes that America's tremendous productive power will inevitably drive the country into a finer and better democracy.

"The new economic society," he told me, "will, as a matter of self-preservation, develop an unprecedented prosperity. This will be based on social equality and economic democracy, or call it what you will. Eventually we shall approach in this country without a hulabaloo of revolutionary talk the ideal which radicals the world over dream of: to each according to his needs, from each according to his ability."

"As a matter of fact we are much nearer the millennium than it is generally conceded, but we must learn a thing or two. For the time being we may be likened to maggots in a cheese—we do not quite appreciate the immense possibilities of the situation we are in."

Mr. Polakov advocates stimulating consumption through higher wages, and believes useless capacity should be sloughed off.

IN THE drama of international finance, the emergence of France to a position of leadership is the most striking event of the year. In July, 1926, with the franc below two cents, France was panicky, and the rest of the world pessimistic concerning its future. A year later the franc was stabilized in fact at double the figure, and France was a commanding figure in the international money market. In the phrase of one learned economist, England remains on the gold standard at the sufferance of the Bank of France. During the weakness of the French currency unit, there was a flight from the franc into sterling and other currencies. But with the restoration of confidence, the emigré capital returned and it aided greatly the recovery of French finances.

There are three elements of strength in the French situation. First, it is normally a capital accumulating and a capital exporting nation. It still has important cash balances abroad—in New York and in London. If it withdrew all its funds abruptly from London, there would be a major disturbance in that money center. Unquestionably the most important issue discussed at the recent conference in New York and Washington of the heads of central banks of New York, London, Paris, and Berlin was a program for the ultimate withdrawal of French funds. Eventually France will build up its gold balance to heighten its own nationals' confidence in its credit, but France will proceed gradually not unduly to disturb the London money market.

Secondly, France produces foodstuffs to feed its population and is not faced with the problems of a country such as England, which must perpetually import foods.

Thirdly, its great export trade is largely in non-competitive specialty products, and a large part of it is carried on at retail in Paris under the most advantageous conditions to the vendors.

Life of a Pioneer Merchant—V

By HERBERT ADAMS GIBBONS

These chapters, from the life of John Wanamaker, are reprinted from Herbert Adams Gibbons' "John Wanamaker," by arrangement with Harper and Brothers, Publishers.—The Editor.

AT OAK HALL it had been the habit of the proprietor to make a tour of inspection every morning and every afternoon. Even when the business had grown to cover 2 acres in the six-story building he did not give up his rounds, and he always seemed to be able to find time to put on his hat and go over to the Chestnut Street store.

Day after day Wanamaker appeared as usual, morning and afternoon, at every counter, sometimes greeting the clerks and asking them how things were going, but more often just standing for a minute, and then passing on. It was realized that his ubiquity had still to be reckoned with. It was the way he studied. It was the way he made his people feel, not that they were under the eye of the taskmaster, but of the kind and sympathetic leader whose presence brought strength and inspiration.

"The finest fertilizer for the field is the foot of the farmer," he wrote one day, indulging with the joy of a child in making an alliterative sentence. None expressed more graphically his shrewd and homely philosophy of life. None revealed more strikingly the reason of his success. He was not shut up in an office, directing the business as a theoretical problem. He was on the floor, in contact with clerks and customers and merchandise. He was accessible to everyone, eager to put things right when they were going wrong, and welcoming suggestions and ideas of others as heartily as he gave expression to his own. He wanted to create the feeling that Wanamaker's New Establishment was a co-operative undertaking, for mutual service.

Anniversary of "New Store"

WE HAVE said that the experiment of converting the Grand Depot into a general store was pronounced an unqualified success by Wanamaker after the first Christmas. The critical period had been safely passed. Philadelphians took to "the new kind of store." When he came to the first anniversary Wanamaker found little difficulty in financing the renewing of stocks and the opening of new departments. A gallery was built along the Market Street end to hold the china and glassware. From one counter hosiery developed into a department, and a new department was opened for small children's clothes and layettes. A thirty-four-page catalog indicates that before the end of the year "the Wanamaker Grand Depot" was carrying virtually all the lines listed in Whiteley's London catalog of the same year.

But Wanamaker realized that if he were going to make his general store what he intended it to be, a group of specialty shops, each with a complete stock, success could be assured only by acquiring the

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This analysis is arranged topically. In each instance the former law is stated and the change made is indicated. The banker can tell what are now the branch banking powers of his bank, the real estate loan privileges, to what extent he can deal in investment securities, and how much he can lend to any one customer.

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FINANCE DEPARTMENT
U. S. Chamber of Commerce, Washington, D. C.

eleven dwellings facing Chestnut Street on the plot from Thirteenth to Juniper Streets, and extending back to Kelly Street. The idea was ambitious and risky.

It seems incredible that, within a year of the time when he did not know whether he was going to pull through or not, Wanamaker should have decided to make so radical an increase in his floor space and his investment. Business was rapidly developing westward on Chestnut Street, and merchants were already negotiating with property-owners on both sides of the street for the conversion of ground floors into shops by purchase of the buildings or by long leases. The proprietor of the Grand Depot had to act quickly or he would see others reaping where he had sown.

At the end of the third year of "the new kind of store" a Philadelphian wrote:

This unexampled enlargement has made constant changes in the premises an absolute necessity, and there has hardly been a secular day since 1876 but what artisans and mechanics have been at work in some part of the place.

It has been idly said that Mr. Wanamaker kept men making alterations for the sake of constantly presenting something new to the public, for the sake of something to talk about, for the sake of advertisement.

The completion of the purchase of the block on which the present store stands was celebrated by a "grand illumination." On November 11, 1878, it was announced that the store would be open that evening from 7:30 to 10 to show what the Grand Depot had to offer for the Christmas season. Nothing would be sold. The people would be invited simply to "look around." In the newspaper accounts of this event we find Wanamaker first referred to as "the merchant prince." An exuberant reporter saw the event thus:

The whole areas, as viewed from the galleries and towers, was a sunlit sea of heads. The elite in fashion, the solidity and wealth, the youth and beauty of the city poured through the points of entrance to the Grand Depot in a steady stream of humanity that was at times resistless in its onward rush. Once in the crowd, nothing but patient following of your leader could get you out of it, except at the expense of great muscular exertion and collapsed breathing apparatus.

A simple announcement that displayed upon the hundreds of counters, radiating from a common center, and throughout the monster establishment, were to be seen more of the reproductions of Europe than Phineas Fogg saw in his marvellous "Journey Round the World in Eighty Days."

Lighted up by myriads of gas lights, colored by the glintings of numerous reflectors, were to be seen—not the living animals of that wonderful trip, the tigers of the jungle, the denizens of the mountain slopes, the winged beauties of the forest—none of these, but their skins were arrayed in the fur department, gotten up in more tasteful form, to avert the chilling winds, than even the Royal Bengalese ever saw, or the Sahibs who, on elephant back, invaded their lair in Farther India. The cocoons of China and Japan, of Lyons, of Lombardy and Venice, had given up their silks, velvets, and satins, and in the manufactured form most dear to the feminine eye, the product was spread upon the counters.

There were columns more of this in the *Public Ledger*. The reporter seemed spec-

ially impressed with the fact that John Wanamaker's private office was heated by steam, that the chandeliers were powerful enough to enable one to see into dark corners, and

it would be possible for Adam and Eve, did they live now, in the days of the Grand Depot, to slip quietly inside its walls, become clad in modern costume, cap-a-pie, buy all their household utensils and adornments, provide for the amusement and dressing of their descendants, and prepare them for the tour of the world, whether they designed a sojourn in the Arctic regions of eternal snow and ice, or a swing in a hammock under the luxuriant foliage of the tropics.

We have not quoted for the reader's delectation, or to illustrate the change that fifty years have made in "journalism" and copy-desk standards of newspapers. Philadelphia was not Squeedunkville with the *Public Ledger* for its daily mirror. It helps us to realize that in 1878 in a great American city Wanamaker's was genuinely "a new kind of store."

Followed Electrical Experiments

AT THE Centennial Exhibition the first machines for generating electric light were publicly shown, and they attracted the attention of Wanamaker. When they were taken to the Franklin Institute for investigation and experimentation, after the Centennial closed, the alert merchant followed closely the setting up of the machines and the experiments, at first discouraging, and thus gained his first practical knowledge of electricity. Difficulties were encountered in getting a single continuous light to burn over any certain period.

After the "great illumination" Wanamaker made up his mind that Thomas A. Edison held the key to the future of lighting. He sought out the young inventor in his laboratory, which could hardly be dignified by that name in the early days. In his speech at the opening of the radio station in the Philadelphia store a few months before his death, Wanamaker said of this visit:

I found him working in a kind of barn, over an electric bulb. His eagerness was like that of a madman. He refused to eat or sleep, being infatuated with the idea which he soon thoroughly developed. I saw what was to make him the pride of the world, when he took the gold medal at the Paris Electrical Exposition.

Other conferences followed. It was the beginning not only of a lifetime friendship between the two men but of a new era in the development of retail merchandising. The "electric bulb" contributed powerfully to make the fortune of great general retail merchants. Wanamaker led the way and experimented with the new invention until the details of the installation of electricity in the Grand Depot were completed.

On December 26, 1878, Wanamaker's New Establishment was lighted by turning a few switches. The innovation made a greater sensation than the "grand illumination" of the month before. It was asserted that the mad John Wanamaker would end in burning his place up, and the Sunday newspapers (all his enemies, as he was theirs) declared that the city authorities ought to step in to protect the public

Systematic Investing

AS LITTLE as \$1000 invested annually, at 6%, with interest reinvested at the same rate, accumulates to over \$38,000 in 20 years — and to over \$82,000, if kept up 10 years longer.

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PROVIDENCE	COLUMBUS	PITTSBURGH	ST. PAUL	FORT WORTH
BALTIMORE	YOUNGSTOWN	WHEELING	INDIANAPOLIS	HOUSTON
RICHMOND	TOLEDO	ERIE	DAVENPORT	SAN ANTONIO
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ROCHESTER	HUNTINGTON		OMAHA	LOS ANGELES

from Wanamaker's folly. Many people were afraid to go into the store, and on the first afternoon crowds gathered outside to watch the Grand Depot blow up. Before many weeks had passed, however, the experiment was pronounced a success. Edison's incandescent lamp went on the market in 1879, and Wanamaker was the first to be able to profit by this great invention, which largely removed both the fire risk and the uncertainty of electric lighting.

Along with electric lighting Wanamaker had been studying ventilation, which he declared to be the *sine qua non* of basement salesrooms. Before the end of 1879 electricity had solved this problem for him, too, and a basement floor was started. The galleries also, thanks to electric lighting, could be extended. The selling space was doubled when the Christmas season of 1879 opened, and a year later Wanamaker advertised 5 acres under one roof.

By this time the Grand Depot had forty-six departments and over 2,000 employees. To solve the problem of quick sales a cashier's office was established in the center of the main floor to which pneumatic tubes came from every counter. The tubes were a drawing card and remedied a condition that had become intolerable in large stores before the days of cash registers.

Improved Heating Installed

PHILADELPHIA had not yet become accustomed to the great convenience of electric lighting, good ventilation, and speedy return of change, when Wanamaker advertised "steam heating throughout the building"—a far cry from three years earlier, when a radiator in the proprietor's private office was worthy of special newspaper comment. A vault was constructed, extending to the curbstone under the Market Street sidewalk, for a steam engine and boiler to heat the building. This improvement, following immediately upon the excavation of the basement, was completed in a little over a year, with no interruption to any part of the business. In 1882 the installation of elevators made possible upper floors, and on the Market Street and Chestnut Street fronts began the remodeling and expansion that never stopped until the new building was finished in 1911. The physical changes in the Grand Depot, and its extension to Chestnut Street, only kept pace with the increase in the business. "The new kind of store" was now supplying "every need of man, woman, and child except food and fuel."

There was food for shoppers, however, as a modest light lunch room was opened, and a candy counter. The sale of candy increased more rapidly than that of any single article except books, and resulted in the opening of a candy factory for making the higher grades of sweets. On the day after Christmas, 1882, the Wanamaker advertisement announced that the business had once more doubled in two years, and that there were 3,292 people employed in the Grand Depot.

This result had not been attained without risks and trials that went far beyond those of 1876 and 1877.

Wanamaker was well on in years before he had got out of the woods financially. It is always so with men who are doing

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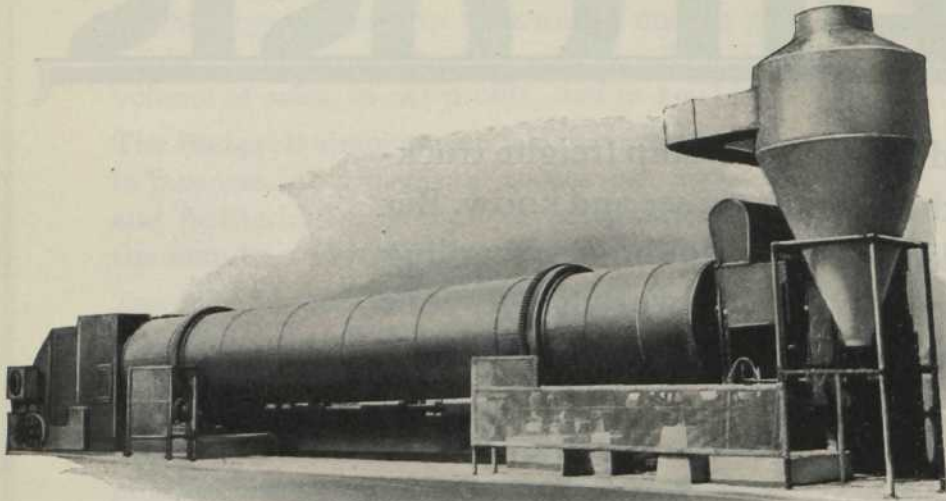
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big things in business. In 1882 the general store had become an accepted fact in mercantile life and the great principles of which Wanamaker had been the doughty pioneer had come to stay, whether he failed or not. But upon how he thought and acted, upon his daring and powers of endurance, rested the hopes of all who had cast in their fortunes with him. The year 1882, a year of expansion for Wanamaker, was a year of depression for the city and the country at large. A boom era was drawing to a close, and the tide of prosperity which had carried forward men like Wanamaker menaced to leave them stranded as it receded.

It is a curious and astonishing revelation to study and record from documents the life of this man. We are unable to find any evidence of the desire or intention to meet a financial crisis by what seems to an ordinary mortal the obvious expedient, a temporary pause, if not actual retrenchment.

Faced with demands for payments, he would order a few more buildings on Chestnut Street to be bought, and put his O. K. on blue-prints of further construction. Then he would turn his attention to schemes for stimulating sales. He believed that if he could get the right kind of merchandise, display it well, and advertise it effectively, people would buy. The money would come in and the bills would be paid. The results invariably justified this belief.

Wanamaker's chief anxiety, therefore, was not finding the money to meet the needs of his business which were rapidly increasing. Nor did he seem to fear any heavy falling off in the buying capacity of the people, due to bad times. He put all his thoughts on having goods to offer that would win and keep the confidence of the buying public in the Grand Depot, to making his store attractive and serviceable, and to presenting through the daily press accurate Wanamaker store news.

To win and keep the confidence of the public he impressed upon the buyers the necessity of keeping their stocks complete and up to the minute. To quantity and quality of stocks must be added style. This was Wanamaker's greatest struggle with his early buyers. He had a horror of any department becoming stereotyped, content to jog along handling what manufacturers and importers were offering. This easy road of merchandising it was not in him to follow.

Buyers Sent Over World

IN 1880 a resident buyer was sent to Paris. It was the beginning of a system that was to cover the world in the tireless search for goods to offer for sale in Philadelphia. Instead of taking from importers what they happened to have on hand, the Grand Depot announced that its buyers would go directly to the sources and bring back to Philadelphia what they found. Styles in men's clothing and furnishings originated in London; in women's wear in Paris. The best china came from Limoges, the best gloves from Grenoble, the best woollens from Manchester, the best linens from Belfast, and the best furs from Leipzig. There, and to every other place where styles and tastes originated, Wanamaker sent people out at frequent intervals.

The proprietor of the Grand Depot had no inclination to become a manufacturer. He was content with his profit as a retailer. But he did not hesitate to make what he could not get. The candy factory, for instance, originated in the determination to sell pure sweets at a reasonable price.

When he discovered that mattress-makers were trying to put off on him adulterated stuffings, he promptly opened a bedding factory. Sometimes it happened that merchants, who were hostile to the new competition of general stores, had enough influence to prevent manufacturers from selling to them. When this happened he made what he could not get.

Studied Advertising Methods

ALL THAT Wanamaker learned about advertising in Oak Hall did not make him think he had come to the end of the lesson. He was not satisfied with his earlier advertising achievements, and he was constantly trying new methods and studying their results. Wanamaker believed implicitly in the paradox that success is a man's greatest danger. He used to tell his Bethany people that satisfaction in achievement was all right only if it did not mean contentment in achievement. How to make his advertising effective was always his concern, but he never gave it more thought than during the first years of the Grand Depot.

We have seen how Wanamaker undertook to supply himself with goods only when he could not get what he wanted in the market. But the momentous decade of his merchandising career had been paralleled by the marvelous rise of Marshall Field & Co. in Chicago. Field had partners, of course, where Wanamaker had none, and it was not until the early years of the twentieth century that Marshall Field's retail business equaled that of Wanamaker. On the other hand, the Chicago firm was doing a tremendous volume of business in its wholesale department and seemed to enjoy certain advantages from wholesaling and retailing together that Wanamaker did not have. The decade had been marked by the rise of other general stores in many American cities, including Philadelphia, and Wanamaker was beginning to have lively competition.

In the early part of 1887 he purchased the wholesale business of Thomas J. Mustin & Co., and later in the same year that of Riegel, Scott & Co. At the end of 1887 he purchased the largest wholesale dry-goods business in Philadelphia from Hood, Bonbright & Company.

The wholesale dry-goods business of Hood, Bonbright & Co. was third in the United States. Wanamaker entered into the new venture heart and soul. He worked steadily, day and night, on the inventory of the stock. He declared at the time and afterward that he had never had such fun. He was soon doing a wholesale business of \$20,000,000 a year.

On July 11, 1888, John Wanamaker was fifty years old. A lifetime achievement seemed to have been crowded into less than thirty years. But Wanamaker felt that he was only beginning—he was always only beginning.

(Copyright, 1926, by Rodman Wanamaker)

Insulate the Roof for Economy and Comfort

ARE you satisfied with your roof because it keeps out rain and snow? What about heat and cold? What of the summer discomfort and inefficiency in those stifling top-floor rooms? What of the fuel waste in winter heating?

Insulate the roof with Armstrong's Corkboard. Keep the heat where it belongs, outside in summer and inside in winter.

According to the U. S. Bureau of Standards the unit heat transmission through Armstrong's Corkboard is .30 B.t.u. This means, for example, that the use of Armstrong's Corkboard, 2 inches thick, on a 4-inch concrete roof slab would stop 70.6% of the heat transmission, in or out. The result is a difference in comfort that is quickly reflected in increased efficiency and in heating cost that very soon pays for the insulation.

Armstrong's Corkboard Insulation can be supplied on any type of roof, flat or sloping, new or old, and is laid directly on concrete, wood or steel decks, or over old roofing. It is no temporary expedient, but a permanent investment, for Armstrong's Corkboard lasts the life of the roof.

The advantages of insulating the roof of your building are fully described in the book, "The Insulation of Roofs with Armstrong's Corkboard." A copy will be sent promptly on request. Armstrong Cork & Insulation Company, 195 Twenty-fourth St., Pittsburgh, Pa.

Armstrong's Corkboard, 2 inches thick, on the roof of the Consolidated Gas Building, Boston, Mass., Messrs. Parker, Thomas & Rice, Architects.



Armstrong's Corkboard Insulation

for the Roofs of All Kinds of Buildings



It pays to standardize

STANDARDIZATION in office machines pays, because it facilitates the routing of figure work in a way that makes for low cost production. The Adding-Calculating machine is especially adaptable to standardized practice.

Success, however, depends upon adoption of the right standard—the right machine for the job. No need to wait to be shown by costly experience which is the right machine. That is quickly and easily determined by elimination tests on the class or classes of work to be performed.

Because of its range of application, which covers every form of figure work—all adding and calculating—with accuracy at high speed, the Comptometer has been and still is being adopted as standard equipment in thousands of offices, both large and small.

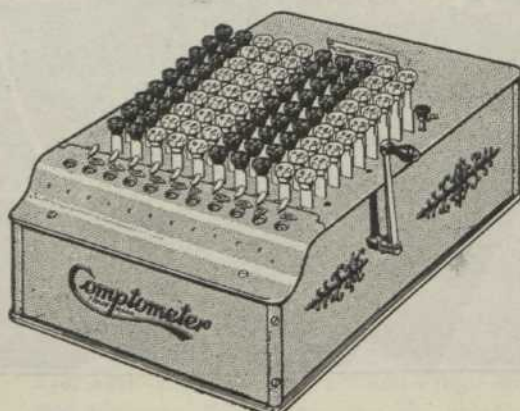
Why not settle, once for all, the question of which is best, by inviting an elimination test on your everyday work? A Comptometer man is always willing to submit his machine to such a test and let the results as measured by production show which machine is worthy of adoption as standard equipment. See 'phone book, under Felt & Tarrant, or write us direct.

FELT & TARRANT MFG. CO.
1712 N. Paulina St., CHICAGO

Over 41,000 individuals received training last year through our system of Comptometer instruction.

Included in this number were 20,000 clerks in-

If not made by Felt & Tarrant it's not a Comptometer



structed in customers' offices.

This service, in behalf of faster and better figure work—greater production—is offered without charge to employers.

Only the Comptometer has the Controlled-key Safeguard.

CONTROLLED KEY

Comptometer

REG. TRADE MARK

ADDING AND CALCULATING MACHINE

Is the Machine Replacing Men?

"MODERN slave driver" or "friend of man"?

Officials of the United States Department of Labor, heads of national and international trades unions, and other authorized spokesmen for large numbers of workingmen disagree widely in their characterization of the automatic conveyor and other mechanical devices that have tended generally to increase the per capita production of employees in American industries. All are seeking to determine whether the machine ultimately will take the worker's job away from him or give him more happiness.

In the January issue of NATION'S BUSINESS there was printed an article by this writer, entitled "Need We Be Afraid of a Job Famine?" It revealed the fact that the average employee in the tire factories of the United States now is producing three tires a day, whereas in war time and even later the output was one tire per day; that the per capita production of railroad labor is now two and one-half times as great as it was in 1890, and that Secretary of Labor James J. Davis is worried over the question of whether we are working ourselves out of work.

Since the January article was printed figures have been made public by the United States Government which show that workers generally are producing nearly 50 per cent more manufactures per man than they did twenty-five years ago.

Statements to this effect are based by the Commerce Department on the results of studies by the United States Bureau of the Census between 1899 and 1925.

Efficiency Increase Rapid

THE SURVEY points out that expansion in output per person has been particularly large during recent years, amounting to 10 per cent from 1923 to 1925, and 40 per cent from 1919 to 1925. From 1899 to 1909 there was an increase of 10 per cent per person, but from 1909 to 1919 the individual output decreased.

"Growth in output per person may be attributed to two factors," says the Department. "The first relates to changes within individual industries and plants, and the second to shifts among industries composing the industrial structure as a whole.

"The first set of changes includes the increasing utilization of machinery and power; introduction of various sorts of labor-saving devices and methods; growth of mass production of standardized articles; elimination of waste; the planning of production in relation to general business conditions, and other economies resulting from improvements in methods and management.

"For industry as a whole and for large groups of industries, however, a part of the increase in output per person is due to the shifting of production from industries dependent in a large degree upon labor to industries more susceptible of mechaniza-

tion and of mass production. This is evidenced by the rise of such industries as the manufacture of motor vehicles and the producing and refining of petroleum, as well as by the substitution of new products for old, as in the case of cement for lumber, brick, and stone, by-product coke for beehive coke, cigarettes for cigars, and baker's bread and factory-canned goods for the products of the housewife."

The greatest increase in individual production, according to the survey, is represented in the automotive industry, where an increase of 4,666 per cent is reflected between 1899 and 1925.

The suggestion was made in the January article that the time might come when all the world's needs would be produced in three days' work each week, and this naturally gave rise to the question of whether the American workingman's wages would remain at their present high level or whether there would be a tendency to drop them to the old basis of supply and demand.

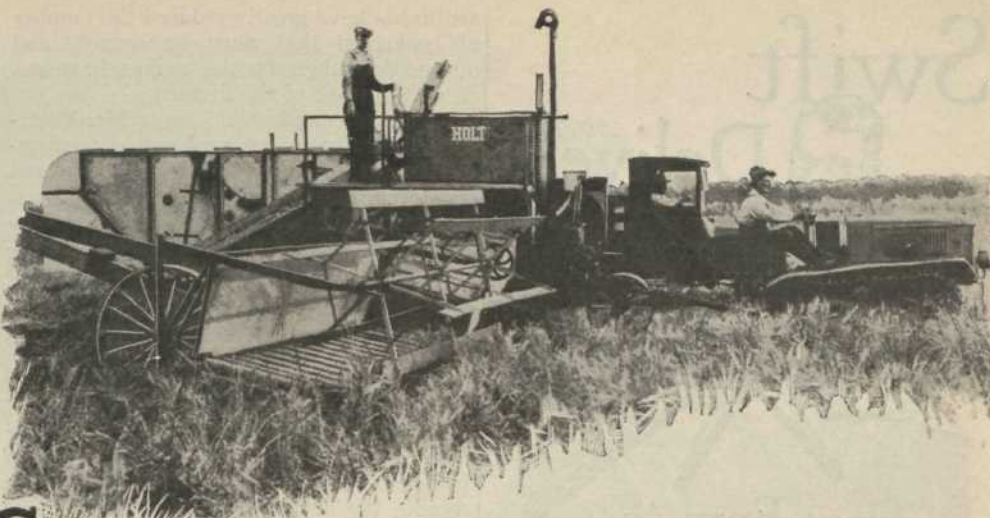
Secretary Davis pointed out that a machine does not have to have food to eat, a house to sleep in, or a family to raise. Man must have these things, and if the machine is going to do his work what is to become of the man?

Wide Range of Comment

FROM all parts of the United States the editor of NATION'S BUSINESS received letters on the questions involved. Presidents of labor organizations and other students of industrial trends outlined their views. The opinions are as far apart as the poles. Whereas Ethelbert Stewart, chief of the bureau of labor statistics in the United States Department of Labor, insists that mechanization of industry has taken the load off the back of the workingman and has changed him in many instances from a beast of burden to a thinking animal, Thomas K. Lewis, statistician for the International Typographical Union, gives it as his personal opinion that "the conveyor system is the nearest approach to a mechanical slave-driver that has ever been installed in a factory."

Some of the labor leaders declare that the monotony of modern factory methods, whereby a man performs the same operation all the time he is at work, tends to destroy his ingenuity and break down his physical being more than the heavier work performed before the days of mass production. Others insist that the "timing in" by the employe as the endless chain or automatic conveyor carries his work to him in the manufacturing process makes it easy for the factory operator to "speed up" the working man beyond his endurance.

A. O. Wharton, international president of the International Association of Machinists, formerly a member of the United States Railroad Labor Board, says that some method should be devised for "calculating results so that the allocation of increased production could be fairly apportioned," but Mr. Stewart insists it will never be possible to tell what part of man's increased production today is due to his own increased efficiency, and how much is due to his modern tools and machinery. In the case of the railroads, for example,



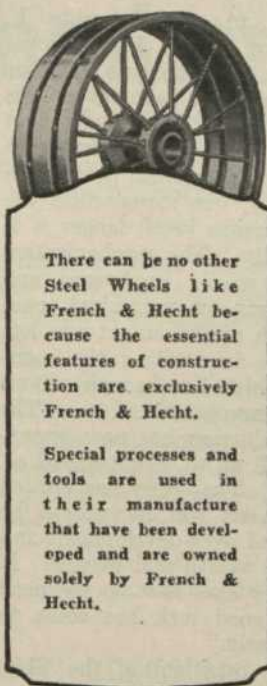
SPECIALIZATION.

WITHIN every factory and every department in a factory there is specialization. One man designs a better motor, another makes a better gear. Each becomes a specialist and the world profits by a better product.

French & Hecht specialize in the design and manufacture of Steel Wheels of all kinds—for Farm Implements, Industrial Tractors, Road Machinery, Trucks, Trailers and other equipment.

French & Hecht have specialized for years in the research and study of wheel application and engineering and have developed more steel wheels than any other organization in America.

So extensive has been the experience of this organization in the development and manufacture of steel wheels for all applications that French & Hecht service means a distinct saving to manufacturers, and always the assurance of a wheel that is mechanically correct.



There can be no other Steel Wheels like French & Hecht because the essential features of construction are exclusively French & Hecht.

Special processes and tools are used in their manufacture that have been developed and are owned solely by French & Hecht.

FRENCH & HECHT

Wheel Builders Since 1888

DAVENPORT, IOWA SPRINGFIELD, OHIO

FRENCH & HECHT
STEEL WHEELS

Swift Delivery



from ERIE to
big jobbing centers

HALF the U. S. jobbers and wholesale houses are close to Erie. Within 400 miles lie 7 of the 10 largest cities—39 out of the first 80.

4 Great Railroads

New York Central, Pennsylvania, Nickel Plate and Bessemer—these famous roads carry Erie-made goods to principal eastern distribution centers. Swift lake steamers provide low-cost service to the great northwest. Motor freight and electric lines deliver to consignees' doors within a radius of 200 miles or more from Erie.

Coupon Brings Full Facts

Superb transportation is just one of the essential factors detailed in "5 Great Advantages." This 32 page free book gives you full facts about this fast-growing industrial city. Get your copy—send the coupon. Or let our Industrial Board supply confidential survey based on your individual problems.

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ERIE CHAMBER OF COMMERCE
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Please send a copy of your booklet
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N. B.—9-1-27

air brakes have greatly reduced the number of brakemen that must be carried, and automatic stokers on the engines have cut down the work of the firemen.

"Increased production," says Mr. Wharton, "accentuates the problem of overproduction or under-consumption. Increased wages and reduced hours of service go hand in hand with increased production. Carried to a logical conclusion it seems inevitable that a market must be maintained and workers play an ever-increasing part in consumption as their wages advance and leisure hours increase. If some sort of balance is not maintained, we are headed straight for disaster. Organized labor believes the interest of all can be best served: first, by the employers recognizing the principle of collective bargaining, and, second, the development of union-management cooperation. American labor is not opposed to increased production. All it needs is the assurance it will not be exploited."

Long or Short Hours?

MR. WHARTON'S reasoning that the workers will play an ever-increasing part in consumption as their wages advance and leisure increases is in line with Henry Ford's argument for a five-day week. Mr. Ford explained that if everyone had to work twelve hours a day and seven days a week, there would be little time for leisure, and little use for automobiles to take the families of the workmen out for pleasure. As the time for pleasure is increased, and wages are advanced, the demand for his and other commodities and luxuries grow.

"I am inclined to agree," wrote L. Magnusson, director of the International Labor Office, "with the Secretary of Labor that the mechanization of industry in this country may lead to a lack of employment. To be sure, it does not mean that one deplores the rapid technical progress in productive efficiency, but merely that the development has within itself danger if it proceeds too rapidly. The mechanization process has been wholly unplanned and competitive. It was an individual, one-man process. Each establishment was left to its own devices in meeting the manpower shortage, which has brought about the restriction of immigration. . . . The momentum of production has now apparently carried it well up to, if not ahead of, purchasing power. The scene has shifted so that the emphasis will henceforth be upon the problem of over-development and the distribution of wealth and income. It is along these latter lines that no technical development nor good luck has come to aid the business world."

James Maloney, president of the Glass Blowers' Association of the United States and Canada, said that that industry "has been entirely revolutionized by machinery during the last fifteen years," and then he asked:

"We are confronted by the very serious problem of overproduction or under-consumption? Some method or answer to the problem must be found if we are to enjoy the blessings of prosperity. The needs of man, as you know, keep pace with his income. There can be no question but what

the standard of living here in our own country is higher than in any other place on earth, and it is perfectly natural to assume that as time goes on and we increase in potential wealth this standard will further improve."

Secretary Davis agrees with the general feeling that increased wages and shorter hours create demands for better things and that the luxuries of yesterday become the necessities of today.

"Everything starts with the Christmas tree," said that cabinet officer. "I remember when I was a boy we all chipped in and bought my sister a pair of silk stockings as a gift. She got to wearing them, and pretty soon she thought she could not wear anything else. That helped the silk stocking industry. I mind the time when my father was entirely satisfied with a clay pipe. We put our money together and bought him a meerschaum one Christmas. Then he never would smoke a clay pipe. We used to have a telescope satchel for our trips, but finally we decided we would have to have a leather suitcase. Ever since then we have been using leather bags. And so it goes. Somebody gives us something. It is a gift. We like it, and then we think we cannot get along without it. These demands build new industries, and big ones. In 1902 when I was running for county recorder I had to apologize because I rode to one town in an automobile. I was afraid the voters would think I was stuck up. The farmers all hated automobiles then. They scared their horses. Now all the farmers ride in automobiles, motors turn their separators where they used to turn them by hand, and motor tractors do the work that their horses used to do in plowing and harvesting."

Per Capita Production High

SECRETARY of Commerce Herbert Hoover, like his cabinet colleague, Mr. Davis, has been impressed by the tremendous increase in per capita production. The United States Census Bureau is under Mr. Hoover's supervision, and in addition to the manufacturers' census referred to earlier an independent study has just been completed by Prof. Edmund E. Day of the University of Michigan and Woodlief Thomas of the Federal Reserve Board, which shows that between 1899 and 1923 the output of manufacturing industries of the United States increased 163 per cent, measured by quantity or physical volume of goods produced, but in that time the number of wage-earners increased only 88 per cent.

After Ethelbert Stewart had read all the fears expressed by labor leaders and other students of increased production due to the mechanization of industry, he commented on the letters received by the editor of NATION'S BUSINESS as follows:

"When we have started our minds to work on production and distribution, we will meet and conquer all of the bugaboos that now appear to be swarming in the wake of the increased industrial efficiency. I mean by that that we should make production and distribution square with each other, instead of expecting high-powered salesmanship to get rid of more goods than we need."—JAMES L. WRIGHT.



How One Man's Motor Solved Another Man's Problem

Somewhere in Domestic Electric experience is the answer to many a baffling problem of motor application. At some time in the past Domestic Electric engineers have developed nearly every imaginable combination of electrical and mechanical features in the fractional horsepower field.

This experience is of tremendous value to those we serve — manufacturers who are introducing new electrical appliances, or turning old applications to uses in new fields, or seeking to overcome service troubles and cut production costs.

Principals of the Domestic Electric organization — engineers and sales executives who have devoted years to the development of special appliance motors—are at your service and subject to your call. This organization will function as a department of your business, analyzing your problem as an individual problem and recommending the *one* motor that meets all your requirements.

A line of inquiry will bring complete information regarding this service, to those who manufacture or sell appliances driven by fractional horsepower motors.

THE DOMESTIC ELECTRIC COMPANY
7209-25 St. Clair Avenue CLEVELAND, OHIO

Domestic
"INDUSTRY'S BIGGEST LITTLE THING!"
Electric Motors
FRACTIONAL HORSEPOWER

When writing to THE DOMESTIC ELECTRIC COMPANY please mention Nation's Business



THE holder of patents on a mixing appliance came to the Domestic factory, baffled by a motor bearing problem. Efficient operation of the mixer required a very small gap at the point where liquids came from the machine. Practically no tolerance was possible; even ordinary bearing wear would increase this gap too much.

Years before, Domestic engineers had worked out a special bearing principle by the use of which the gap could be set, locked and held. After brief experimental work they turned out a motor with a bearing so designed that if wear developed, it could be readjusted in a moment instead of being replaced.

The result—efficient operation; time and money saved for the customer.



For protection from overload—the Domestic Automatic Safety Switch

Eternal Research

the price of Survival

THE producer who survives is the producer whose technical men know what is going on in industry and whose executives know how and when to apply their knowledge.

The company which clings to precedent is in constant danger of seeing its business suddenly wiped out by some new development of chemistry.

All industries are so closely interwoven with chemistry that every responsible man will want to keep abreast of the daily progress.

That is why men from the four corners of the earth regularly visit the Exposition of Chemical Industries in New York.

This year the exposition will be bigger and better than ever before. It will be international in character. It will exhibit the world's outstanding achievements in machinery, materials, methods and supplies of vital interest to all industries using chemical processes or the products of chemistry. That includes your industry. Be sure to come.

Eleventh Exposition of Chemical Industries

Grand Central Palace, New York, Sept. 26 to Oct. 1, 1927

Management International Exposition Co.

Largest industrial exposition organization in the world.

Railroads as Farm Agents

BY RUEL MCDANIEL

THIS YEAR ranchers in southern Colorado will receive about \$1,000,000 more for their beef cattle than they drew in 1923. Last year the excess was about the same. The price of cattle in that district has risen steadily since 1923. A local condition, rather than national demand, is responsible.

It is the result of a new note in railroad selling. How it happens that these Colorado cattlemen are receiving an extra million dollars for their cattle is merely the outcome of the application of this new selling idea being fostered by progressive railroads, especially in the northwest. This merchandising idea is based upon the new assumption on the part of railroads that their transportation and selling job is no longer completed when the goods are delivered on a designated siding; that their job extends to the table of the consumer.

The Colorado cattle-marketing plan was the first development of this idea; others have followed. H. J. Arnett of the American Railway Association had been transferred to Denver at his request because of illness of a member of his family. Mr. Arnett settled down to perform his routine duties as he had done in eastern offices, and found no routine duties to perform.

"It looked as though my stay in Denver was going to be short," he humorously remarks, "because there was not enough work there for the Association at that time to justify my being there."

A Problem for the Yards

IT WAS about this time that the superintendent of the Denver & Rio Grande Western called up and reported that 29,000 head of cattle were due in Denver on the following Monday. Denver's stockyards had capacity for half of 29,000 cattle, and the superintendent wanted to know what could be done about the situation.

Investigation proved that this situation, usually in somewhat less complicated form, had been confronting the cattle industry and those who handled the cattle for years. Ranchers were shipping their stock into the Denver market without regard for facilities for handling or the supply of stock already in the yards. This not only meant a loss to the ranchers, but it added to the cost of shipping and demoralized the railroads as well. It meant that a lot of surplus cars had to be rushed to Denver to move out this over-supply at once; and that invariably meant long runs and frequent runs of empties, a waste of both freight cars and engine power.

It meant likewise that the producers not only lost through the inevitable drop of a glutted market but through crowding cattle into the pens as well. The average pen in the stockyard holds 50 cattle; but when there is a congestion, 75 or even more must be forced into the pens. Improper assorting results. "Runt" steers and milk cows get mixed with good steers and buyers permit the presence of the cows and runts to overshadow the good steers in bidding.

Likewise crowding means loss of weight.

So the American Railway Association, through Mr. Arnett, set about to remedy this situation, if possible, not only for the betterment of the cattle industry but in self-defense. The various local cattlemen's associations were consulted and agreements worked out whereby reports would be made daily during the cattle-shipping season concerning the supply of stock on the Denver and other markets. The associations agreed to influence their members to ship only on instructions, the state association being a sort of clearing house for shipping information. Formerly cattlemen had been doing the bulk of their shipping so that the cattle would arrive in Denver on Monday. The American Railway Association, working through the cattlemen's associations, succeeded in getting these shipments spread over four days each week rather than one.

Better Prices Obtained

AS A result of this organized shipping, the price of grass stock on the Denver market has risen from about \$7 to \$7.89, dry lot steers increased in price from \$8 to \$9.28, while feeders and stockers gradually climbed from \$6.88 to \$7.23.

Railroads in the Denver district benefited as a result, because the extra million dollars this price increase brought meant added prosperity to cattlemen, and the prosperity of the country it serves always reflects in the earnings of a railroad.

It was not so many years ago that the rail carriers realized that their business would grow in proportion to the growth of the country they served. As a consequence they began an active campaign to build up the districts served.

The average railroad today has, for example, a well-organized agricultural extension bureau, through which it interests farmers and ranchers in the agricultural districts the road serves; and who does not recall the extensive homeseekers' excursions railroads used to run into new agricultural territories? And they still do, for that matter.

Some of the most expert agriculturists and horticulturists in the country are in the employ of railroads, working diligently with the state and national departments of agriculture and local county agents in the interest of better farming. This work is carried out by railroads individually and through the American Railway Association.

The average progressive road has done an excellent job in developing farming in most sections it serves, but the old idea was that when a district was settled the road's work was done. Agricultural agents confined their efforts to encouraging intensive farming in the settled districts and promoting further settling of new sections. Settlement meant increased haulage for the road; and the road's business was hauling. It's job was done when it delivered a loaded car to the siding or sheds at the point of destination.

But the railroads don't believe that any

more. Today, they are working through their Associations, especially in the northwest, to bring prosperity as well as settlers to the country they serve. They now consider that their job of building up tonnage is not done until the products of the territories served are delivered to the table of the consumer at a profitable price for the grower. It looks as though this move may be the dawn of a better era for the farmer, because what the railroads of America set out to do, they usually do.

Diversified Advertising

"WE HAVE spent millions of dollars advertising our service through the featuring of the districts we wish to build up," says one Northwestern railroad executive, speaking of roads collectively, "and we shall, of course, spend millions more. But we are beginning to see that the best sort of advertising any railroad can secure for a district it serves is to have the homeseekers which it has induced to leave their old homes and come to this new country write back to their friends and tell about their success and happiness in their new homes. That is the sort of advertising that hits the spot. A simple letter 'back home' from a satisfied settler is worth reams of our description of a country."

This new step likewise fits right in with a broad plan sponsored by the carriers through their Association aimed at eliminating car shortage without increasing the number of cars in use, through careful distribution.

Recently the Northwestern roads did something that was shockingly radical in conservative railway circles. They not only helped the apple growers of Oregon and Washington perfect an organization for better marketing their crop but actually appropriated nearly a half-million dollars as a start for a cooperative campaign to advertise apples, not railroad service!

Not long ago a survey showed that 60 per cent of all the lettuce produced in the northwest went to the Chicago market. Thus that district was invariably glutted with fresh lettuce, and the growers always complained of poor prices. Railroads were serving dissatisfied citizens, poor advertisers for a growing country. Today the lettuce crop of this section is spread out over the United States where it is wanted most, and as a consequence farmers are richer by thousands of dollars each year and the carriers not only are hauling more lettuce than ever before, but they are hauling new citizens into the lettuce-growing country because those already there are influencing their relatives and friends to come.

Board to Check Shipping Waste

IN Washington, Oregon and other districts touched by the 14th district of the American Railway Association, there is the Pacific Northwest Advisory Board, composed of industrial leaders in the various major branches there. This board works in conjunction with the Association in an effort to control freight-car shortage and the elimination of shipping waste in general. It is significant that Mr. Arnett is secretary of this board.

This Advisory Board is divided into

NOW! A Unit Heater for any space—large or small

The First Complete Line Ever Built!

WITH the development of the Thermodyne Utility Heater for small space heating, Modine now offers the first complete line of unit heaters ever built.

No matter what your problem may be—whether it is heating a large factory building or a small office—there is now a Thermodyne Unit Heater ready at all times to render perfect heating satisfaction. Hundreds of installations prove their remarkable efficiency and dependability.

Light in weight—easily installed—economical of operation, all Thermodyne Unit Heaters possess unusual heating capacity. And they can be used for ventilating, too!

**MODINE
MANUFACTURING
CO.**

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Branch offices in all large cities.

Heat the Thermodyne Way—
reliable—efficient—economical



Write today for Catalogue 127. This book will give you full details about the complete line of Thermodyne Unit Heaters for industrial heating and drying.

THERMODYNE UNIT HEATER

FOR STEAM OR HOT WATER HEATING SYSTEMS





Come right in!
... where
rooms are
larger ...
and luxury is homelike

You can take pride in inviting your friends or clients to meet you in the larger, more airy, better equipped rooms of the new Detroit-Leland Hotel.

Here you have ample room to entertain guests, a fitting background for business conferences. No apologizing for lack of space or equipment, no necessity for your guests to lounge ungracefully on the foot of a bed.

Centrally located, but outside the din of the traffic belt, this splendid new hotel is rapidly establishing a national reputation not only for its larger rooms, lounges and galleries but for the exclusive quality of its cuisine and the superior excellence of its service.

700 Large Rooms with Bath
85% are priced from \$3.00 to \$5.00

DETROIT-LELAND HOTEL

Bagley at Cass, Detroit, Michigan
(a few steps from the Michigan Theater)

WM. J. CHITTENDEN, Jr., Manager



Larger Sample Rooms from \$5.00 to \$8.00 per day

When writing please mention Nation's Business

various industrial groups. Mr. Arnett is secretary of the Agricultural Council, working under the Advisory Board and in conjunction with the American Railway Association.

What was done with lettuce growers of the northwest and the cattlemen of Colorado is being duplicated and extended among prune growers of Washington, Oregon and Idaho. A recent survey showed that 60 per cent of all the fresh prunes shipped out of this territory went to the New York and Chicago markets. That meant that 60 per cent of the entire output of fresh prunes was going to 16 per cent of the country's population. Obviously each season saw a glutted market.

The growers and shippers were powerless to remedy the situation, because no one shipper knew where another was sending his consignments; and in many cases, if he did happen to know, he would wire ahead of the shipment and offer a price lower than the first shipper had offered and beat him to the order! Obviously this situation meant low prices to the shippers, who in turn passed the loss along to the helpless growers. Farmers in the prune-growing districts were dissatisfied, and thus poor advertisers for the railroads serving them.

Association for Cooperation

TODAY, through the Agricultural Council, prune growers and shippers of the two distinctive growing sections of the northwest are organized for the dissemination of shipping and marketing information. Over 95 per cent of the prune tonnage is represented in the new organization.

Each of the two associations has its independent organization, with a well-defined program of cooperation between growers and shippers of each, and a close cooperation between the two through an executive secretary who serves both jointly. Each association has its individual secretary, also.

There are about 30 prune shippers—the individuals who take the prunes from the growers and consign them to the market centers. Each association is governed by a joint board of directors composed of all the shippers and 12 grower-directors, but the 12 grower-directors have the same voting power as the 30 shippers.

Under the new plan, instead of each shipper consigning his prunes to whatever market he chooses and then hiding the shipments' destinations for fear some other shipper will cut in and spoil the market, each shipper makes a report to his association secretary, telling the tonnage he has shipped and where he has shipped it. The reports are then sent to the joint secretary, who compiles the figures of all shippers and returns them. Thus each man knows what has been shipped into each market. Each shipper also knows the consumption of each city and can see by the reports when it has taken all the fresh prunes it can handle.

By watching shipping reports the joint secretary can recommend comparatively small markets, yet rich ones for two or three cars of prunes, and make it a point to see that only specified shippers send to this market. Thus no one market is flooded and the prune crop is spread out.

Growers report regularly their estimated

output. The carriers then can assemble their cars to the best advantage to eliminate light running and to prevent shortage.

The carriers get as much tonnage temporarily as they would get if they did not take any part in promoting prosperity; and in the future they get inestimably more, through increasing the output of prunes by making it possible for the growers to make money.

Apparently this is a hint of what railroads may do in the future in the way of service and indirect advertising.

1927 Management Week

SEVERAL years ago the Hoover Committee's Survey said that the management is responsible for 50 per cent of the waste in industry, a startling statement and one demanding that something be done. One of the things which was done was the promotion of an educational campaign called Management Week. The first Management Week was held in 1922, resulting in a number of meetings being held in prominent cities of the country for the purpose of discussing the "Present State of the Art of Management." The number increased in 1923, and in 1924 meetings were held in over 80 cities and towns. In 1925 there were 115 meetings with an approximate total attendance of 16,000. After even greater results in 1926, this present year there is every reason to believe that a still greater number of business executives will participate in this annual inventory of managerial skill and practice.

In 1926, 250 meetings were held in various cities with a total attendance of more than 30,000. The dates which have been set for the 1927 Management Week are October 24 to 29. The subject which will be discussed at the meetings held during this week is "Management's Part in Maintaining Prosperity."

The plan of operation is simple. Through the sponsor organizations and with the assistance of chambers of commerce and others, local committees are set up which arrange the program of meetings for the week in each community. The subject for discussion this year, "Management's Part in Maintaining Prosperity," is designed to focus nation-wide attention, particularly of those concerned with management problems, on their individual and collective responsibility to contribute to the continuance of the present prosperity of the country.

The National Committee in charge of the program represents 10 well-known organizations having an interest in one or more phases of management as an art or science. It includes the American Management Association, the Taylor Society, the Society of Industrial Engineers, the American Institute of Accountants, the National Association of Purchasing Agents and others.

The active promotion of Management Week is in the hands of the Division of Simplified Practice, Department of Commerce, Washington, D. C. R. M. Hudson, who is chief of this division, is the secretary of the National Committee on Management Week.

Some Uses of Art In Business

AN OLD and oft-repeated refrain sung by Europeans and even by many Americans is to the effect that America has no art, that Americans possess no artistic sense; craftsmanship is sacrificed to mass production and standardization; beauty to utility. In the midst of all these accusations it is interesting to have given an exposition of art in trade such as was presented at Macy's Department Store in New York during the first week in May.

For one week the whole fourth floor of Macy's new west building was devoted to an exhibit showing the influence of the fine arts upon our daily lives. In special galleries collections of fabrics, glass, jewelry, furniture, rugs and metals illustrated the applications of art to objects of every day use. In the preparation of the exposition the Metropolitan Museum of Art extended its advice and help and an advisory committee exerted every effort to make the exhibition appealing and useful to a large department store clientele, as well as to many interested in arts and crafts.

Lee Simonson, the well known designer of settings for the stage, was chosen to establish the proper background for the beautiful exhibits. By a clever use of woods of natural beauty like California redwood and of certain fabricated materials such as compressed cork and a rubber product which was so arranged as to simulate dark veined marble, Mr. Simonson worked wonders in producing an attractive gallery. Not a curve was used anywhere; beautiful and spacious effects were created by the use of long lines and angles.

An Exhibit of Modern Art

THE two portals led into the silk galleries, in which the products of Stehli and of Cheney were shown. Beyond the silk galleries was a hall in which was displayed a colorful array of glassware, ceramics and pottery. In this part interesting exhibits were the modern developments in lighting fixtures and wrought iron work. A very attractive room of the exhibition was the modernistic library which illustrated the influence of the modern city architecture upon furniture.

As a proof that the United States has excellent craftsmen about seventy per cent of all the exhibits are examples of American art. With a noted weaver adapting modern motifs to shimmering silks, a famous craftsman displaying wonderful examples of grill work, and a metal worker showing unique lamps with glowing colors and rich designs transfiguring ordinary household furnishings, glass and pottery, and fine printing and artistic bookbinding adding their beauty to the home surroundings, with pleasing furniture, silver and rugs, this exhibition has successfully carried out the plan of showing to the department store throngs that a home today can be furnished on a comparatively moderate scale and at the same time be artistic, that even the commonplace things need not be ugly.

—ANNA L. WHITE.

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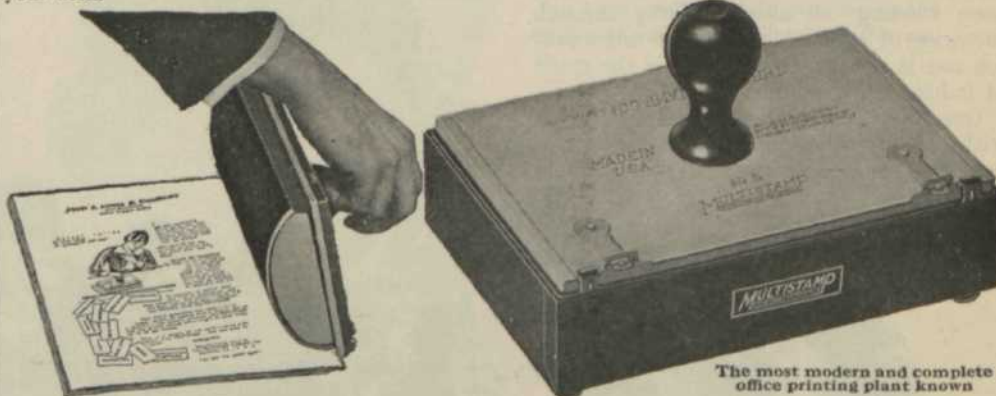
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No. 5 Outfit—Letter size, with complete equipment, including Black Enameled Container, 24 Stencils, Ink, Stylus Pen, etc. (F. O. B. factory—weight 5 lbs.)\$25

No. 6 Outfit—Consisting of all three sizes, with supplies, packed in handsome Steel Baked Enamel Finish Case. The most complete office printing plant known. (F. O. B. factory—weight 20 lbs.)\$50

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Watching Industrial Kids Grow Up

By JAMES H. COLLINS

THE OTHER day a friend handed me a pound of statistics showing the industrial growth of Southern California. He is a booster, connected with a booster organization.

"Those figures will surprise you," he said. "They prove our wonderful expansion in industry. And it is all solid growth, because before we try to get a new factory to come in we make a complete survey and make sure that it belongs here, and will succeed."

"Do you mean that if a factory had doubtful chances here you would discourage its coming?"

"We certainly would," said the trusting friend.

"Suppose the outlook was bad here, but pretty good in some other Pacific coast city—would you advise in favor of the other town?"

"Absolutely!" he insisted.

"That's a wonderful spirit!" I said. "What factories have you sent to other places lately?"

"Well—now—right offhand, of course, I can't think of any," Chester hedged. "Anyway, you see, the advantages of Southern California are so great that they practically all succeed here."

And the truth is, many of them do, whether factories brought in from elsewhere or enterprises launched on the spot.

Rapid Growth in California

TEN YEARS had passed since my last visit, and I found many changes. Homes stood where barley fields had been, and so on. But the impressive transformation was in the factory chimneys. There had been practically none in 1915, and the railroads into Los Angeles were lined with them in 1926. And not every factory in Southern California possesses a chimney, for many industrial plants run on hydro-electric power.

I like children, and especially industrial kids. Southern California is an industrial nursery, full of young industries that are trying to act grown up. For years I've been wearing out shoes walking through factories of every kind, and in my opinion size is nothing in itself; it is the spirit of industry that counts.

One day, last winter, I had lunch with a fellow whose chief work is doctoring sick business enter-

prises. A business counsellor, and Scotch, therefore conservative. His cases are interesting because, in Southern California, he is more a baby specialist than anything else. These new-born manufacturing concerns develop colic, croup, rickets and pip. Some of them get arteriosclerosis at three years of age.

"This section has excellent prospects of becoming as much an aircraft manufacturing center as a moving picture center," he said suddenly.

"How do you figure that?"

"Well, climate, of course—ideal for tests. Then, this is fast getting to be a flying town—there are hundreds of private planes, used for going around to mining, oil, lumber and ranch properties. I know one old bird, a millionaire, who flies on all such trips. He can't take off, or make a landing, but a pilot goes with him and turns over control when they are in the air. The feel of flying is here."

Quite so! Not many weeks later, Lindbergh reached Paris in a San Diego plane, built by an organization run by a youngster named Ryan, who had started a little one-man factory. The Ryan crowd were building Lindbergh's plane as we talked, disregarding the clock to finish on schedule, and writing their names on the material. Not a statistic in the place!

Somehow I can't get excited about the building of a big branch factory by an eastern corporation, though such branches are coming in right along, tire and automobile plants, metal and food concerns, and they are welcome for the work and wages created in a section where there are never enough jobs to go round.

Steel Situation in California

IN the Los Angeles newspapers, every few weeks, you will see reports of a new steel mill coming in, or being started. Keep these items and paste them together, and they give the impression that Southern California is about to displace Pittsburgh.

Yet not a pound of steel is made in Southern California, nor a pound of pig iron. Iron, steel and machinery are credited with a weekly pay-roll in Los Angeles alone next to that of motion pictures—and several weeks ago a banker told me that his inquiry into a certain group of steel products had disclosed only a dozen small plants.

Let's get this steel picture—it is a rather faithful picture of Southern California industry.

To begin, some economists have declared that manufactures can never amount to much on the Pacific coast, because the materials for pig iron are lacking, and pig iron is the foundation of industry. It is



Illustration by
Harry Campbell



now known that iron ore, coal and limestone are obtainable. But they are widely scattered. Pig iron is actually being made in Utah, where a blast furnace was recently established. Yet, with the Panama Canal and the vast and highly specialized iron and steel industry of the east, competition is stiff.

Reclamation in Industry, Too

THESE steel mills and machine shops in Southern California run on imported or reclaimed metal. Scrap iron and steel are gathered up and turned into various articles for which demand is keen—structural odds and ends to tie together steel members in building, and cast iron pipe and water hydrants for new subdivisions, and so on. Los Angeles has the only plant in the country successfully reclaiming tin cans, which are made of high-grade steel. Machinery concerns bring their metal from eastern centers, and sometimes even from Europe. Pig iron will eventually be made in Southern California, but quite sizeable industries can be built up without it when the spirit is there. To wit:

About a dozen years ago, a California engineer was engaged in selling power plant equipment. From the east. Deliveries often slow, repair parts hard to get, the eastern apparatus did not meet all western conditions. So he began designing special equipment, had it made in job shops, then got a small factory of his own. Then—war, and his factory running night and day on power plants for ships. Mostly oil apparatus. After the war he turned to the petroleum production and refining industry, established a research staff to work out the scientific principles in a field that had been revolutionized by Californians the past fifteen years, and today has a plant that employs a thousand men. His iron and steel are brought from the east, but when he can get local pig iron he will use it in his foundry.

The Los Angeles Chamber of Commerce has a basic viewpoint on this whole field. A new factory coming in, or starting up, to make heat exchangers for oil refineries, or flotation apparatus for mining mills, or assembling motor trucks, or casting lamp-posts for new subdivisions—those are welcome. But they should fit into a general picture. Maybe, if there was such a picture, they would not fit in.

Wherefore the industrial department of the chamber, under R. D. Sangster, gets a complete picture by hard engineering study, which may require several years. When the picture of iron and steel, or copper, or wool, or whatever it may be, is sketched out, then a lot of apparently unrelated enterprises fit in. The whole thing comes up like a photographic plate under the developer.

What is the relationship between a blast furnace and a pilchard or an albacore swimming off Lower California? Why, the pilchard is a sardine, and the albacore is canned as tuna, and Southern California enterprise has created new food products from such raw material. For these foods, cans are needed. Tin cans are made of sheet steel, made in rolling mills from pig iron. Therefore an orderly succession of iron and steel and can-making plants al-

Air "Jackhammers" driven by portable air compressors working on "Kaibab" Trail.



One of two Waukesha Engined, Ingersoll-Rand portable air compressors used on "Kaibab" Trail.

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ready have a market in Southern California, and anybody contemplating the establishment or moving of such a plant can look at Sangster's picture and gauge the possibilities for selling a given product.

Southern California is building at a rate that makes a ready market at home for water pipe, electrical conduit, gas stoves and furnaces, bath-tubs, metal lath—the widest range of iron and steel products. So starting a little individual factory, and doing most of the work yourself, is part of the picture.

Take the biggest manufacturing business in Southern California—what my irreverent wife calls the "emotion pictures." You hear much about the stars, but little concerning the work of the movie purchasing agent. Dozens of little factories have sprung up to help him.

Most visitors in Hollywood want to get into a studio and see the monotonous process of making the pictures. Let me give you a tip: Sit at the corner of Hollywood and Highland and see the stuff go by on its way to the movies, up through Cahuenga Pass. Actors, and extras, and animals, and vehicles, and furniture, and lights—every sort of thing bought by the movie purchasing agent.

Clothes Important in Movies

IN the movies they wear clothes—that is, in some movies. And the clothes must be "doped" for fashion six months to a year ahead, so they will be not only in style when the picture is released but advanced style. Master minds consult the kaleidoscope of fashion and design the clothes, and thus it comes that a town where nearly everybody is in bed by nine o'clock becomes a metropolitan fashion center, and around it there is a garment industry of magnitude growing up.

Of course the people in Southern California wear clothes, too, and making a comparison with New York's garment industry, this is the period, around Hollywood, when Potash and Perlmutter have got into business for themselves, but not yet moved uptown.

Southern California weather permits outdoor sports all year round—well, almost that! Therefore Southern California athletes and teams develop ability that takes them east to big events. What they wear in sport togs is duly noted by easterners, and, apart from the movies, there is a sports urge behind the western garment industry.

And behind the garment factories there is a general textile picture, made up of wool production in nearby states, cotton growing in the Imperial Valley and Arizona, raw silk coming in from the Orient, and so on. But just as in steel, hardly a beginning has been made in filling out the picture.

The booster will protest at this. He will insist that I haven't seen the local industries, that I do not realize their magnitude. He will show me a table of statistics, mustering the industries and the pay-rolls. Take it apart, as I have done, deduct the oil and the movies and the necessary activities of every community like gas, ice, baking, laundries. What have you left?

A lot of little factories, mostly making things required in the building and furnish-

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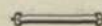
We have an interesting booklet on this point, "Estate Creation Through Life Insurance." Your local John Hancock office will be glad to send you a copy, or one can be obtained by writing to Inquiry Bureau,

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**NATION'S
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Washington

ing of new houses in a region to which people are drawn by climate—and boosting. Each little factory in competition with big competitors in older factory sections, who must be beat some way. Price and freight rates do it in some cases. Being on the spot, ready to serve your customers, does it, too. But out-thinking your distant competitor with new inventions is the trump card.

In Japan, a monopoly existed. From certain seaweeds growing in the Japanese current, a vegetable gelatin called agar-agar is extracted for use in diet, medicine, candy, ice cream and other lines. The Japanese product is made by crude hand methods. A Southern California concern takes the same variety of seaweeds, growing offshore, and makes agar-agar by a thoroughly modern process, of high purity, and has broken the monopoly. Don't be astonished if, one of these days, you are served fruit gelatin dessert made with California agar-agar. It will help you reduce. For there isn't a calory in a ton of it.

A farmer near Los Angeles rigged up a little paper tent to cover individual plants and get two to four weeks' start over other truck growers. His nephew, a farm boy of an inventive turn, made improvements, and machinery to manufacture the tents, and a thriving factory now sends these "hotkaps" all over the land.

A Practical "Nut Factory"

THE California walnut is strictly a factory product, developed by inventive brains. As it comes off the trees, it is stained and not pretty, and often misshapen. Formerly, it was hard to make any money on the crop. The spirit of Southern California industry took hold of the walnut, sand-blasted its coat bright and clean, put a trade-mark on each nut, cracked the misshapen nuts by machinery, and packed the meats in tins under vacuum. The "nut factory" is a real establishment in Los Angeles.

Same necessity in oranges and lemons. Where culls and left-overs were once thrown away, now they furnish by-products like lemon and orange oil for flavoring, pectin for jelly, citric acid, candied peel—even the pulp residue is sold for cattle food. And the juice is, of course, the prime article extracted from the oranges. One manufacturer has built up a fine trade in bottled orange juice and sells barrels of it right in California, as well as nationally.

Have you a fountain-pen standard on your desk? More of the spirit I am trying to convey. Look at the thing. Made of onyx, isn't it? Well, in San Diego there is a concern that began hunting up new uses for Mexican onyx, finest in the world, but fallen into neglect with the passing of the onyx-top parlor table. These fountain-pen jiggers are one such use developed by Southern California suggestion. There may be an onyx ball on the gear-lever of your car—another hunch. Look at your floor lamp—probably has an onyx base. And your radiator cap. First thing you know, the onyx-top table will be back.

Another interesting thing about Southern California manufacturing is the kind of fellows you find engaged in it. They are generally very young, or decidedly old. The average man you find in eastern en-

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A SURVEY among the 5,321 biggest manufacturing organizations in the country has given NATION'S BUSINESS the first real information ever compiled on motor-car and truck-fleet purchases and on tire and accessory purchases by fleet owners. Some of the questions asked and answered are:

- How long, in terms of mileage, have you found it profitable to operate cars and trucks before replacing?
- What is the approximate cost per mile of operation, including depreciation? (In many cases operation charts were submitted in answer to this question.)
- Are passenger cars purchased by the company or individuals?
- How are operating expense and upkeep handled?
- If passenger cars are purchased by the company, does the individual who will operate the car have any voice in the selection of make?
- Do you purchase tires for your fleets direct from the manufacturer or through dealers?
- Who determines the kind of tires used?

This information will be useful to motor car and truck manufacturers, to tire and accessory manufacturers and distributors, to oil refiners and sales companies, to insurance companies, to financial organizations—and to all advertising agents.

Details of this survey have been put in condensed form by an impartial research bureau and are now available for agencies and advertisers. Clip this advertisement and send it to Guy Scrivner, Director of Advertising of NATION'S BUSINESS, 850 Graybar Building, New York City.

terprises, between thirty-five and fifty-five, nicely balanced between youthful energy and experience, is rather out of the picture.

That is because the older industrial centers can afford to pay him more salary, or offer him better opportunities to climb in whatever he is good at, whether it be engineering, or salesmanship, or factory management, or finance. Also, he is an easterner who means to retire some day to Southern California but hasn't yet made his pile.

In Southern California the young generation has to hustle. Sometimes it hustles east, as the girls will tell you, deploring the scarcity of eligible men. What Dr. Johnson said about the finest prospect in Scotland being the highroad to England applies here. Thousands of new people are constantly pouring into Southern California, some seeking health, many needing jobs. Thousands more come to retire, and grow tired of idleness after a year or two, and seek jobs at which they are willing to work for nominal pay, if not for the fun of it. These retired folks also go into business again. Do you wonder that the young men in Southern California are bright, with all that competition?

The "Why" of Factory Growth

WHY should new factories be established in this region of comparatively sparse population when the east has great industrial centers, possessing facilities for making more than the nation needs?

There seem to be several good reasons.

For one, the southwest is not so sparsely populated as it was. The Los Angeles metropolitan district is credited with 2,200,000 people. The city is within trading range of nearly 10,000,000 people in California and neighboring states. The income-tax returns, ownership of cars and other factors indicate a spending power considerably above the national averages, because this region steadily draws money from other parts of the country, the earnings and profits of those who have come to retire. Besides, there is the outlook onto the Pacific, through its man-made harbor and its traffic through the Panama Canal. From nothing, its traffic has been brought up to second place among American harbors, measured in dollars, and I believe it is third in tonnage.

Some years ago, when the Grand Central Terminal was near completion, the New York Central invited a party of authors to view it. All expressed astonishment. All except Sam Blythe. Sam trailed along, saying nothing. Our guides began to worry. Why was Sam Blythe silent? Didn't he like the new terminal? I was delegated to find out and, approaching the humorist, said:

"Sam, they want to know what you think of this place. You haven't said anything since lunch. Don't you like the terminal?"

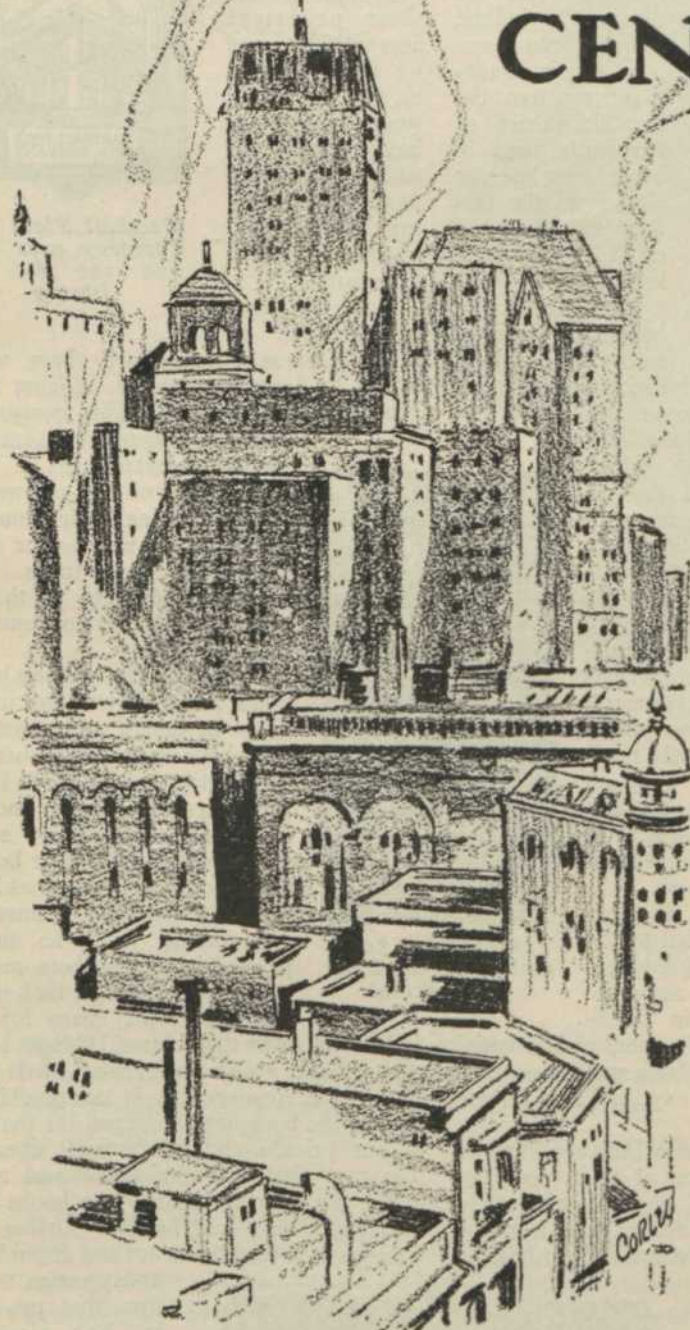
Sam looked up at the great concourse, with its star-studded ceiling. "Why, yes—I like it all right," he said. "In fact, I think it's a nice little railroad station."

Let the booster give you the big figures about Southern California's industrial growth. I think it is a nice little industrial nursery. The children are hearty. They are the kind of kids who know what they want and get it. Watch them grow up.

SAN FRANCISCO~

A National Industrial

CENTER



And a growth
that will
continue—

because San Francisco is
naturally—and humanly—
positioned and equipped to
maintain its prestige, its
strength, its solidity.

And in San Francisco one
paper reflects all these civic
elements—

The
**San Francisco
Chronicle**

Heraldry of Business Books

By KENDALL BANNING

Editor, Popular Radio

Why You should use Gas the Perfect Fuel for Industry

Just a brief outline that will give you abundant food for thought—

COMPLETE and INSTANT CONTROL—the results of which are:

Economy in production
Elimination of spoilage
Maintenance of uniform quality in product
Greater average speed in manufacturing operations
Increased output

NO FUEL STORAGE in your plant—which means:

Economy in factory space
No capital tied up in fuel
You pay for gas **AFTER** using, not before
A constant fuel supply always instantly available

ELIMINATION OF SMOKE and ash removal—resulting in:

Enhanced value of real estate and buildings
Savings in cost of cleaning, painting and redecorating
Better working conditions
Increased man-power efficiency

Gas is saving money for others in your line of industry. It will do the same for you. For further information, consult your local gas company, or write to this Association.



American Gas Association
420 Lexington Avenue, New York City

We have an interesting
booklet which will be sent
on request.

When writing please mention Nation's Business

THE USE of the bookplate in business is a natural result of the development of new standards, methods and ideals in the modern business world. As far as design is concerned, the business bookplate differs little from the ordinary bookplate. Perhaps the business firm's trademark replaces the heraldic device so frequently used in other bookplates, or a view of the factory replaces that of the ancestral hall.



The Bookplate of the Mutual Life Insurance Company of New York, done in half-tone

The business bookplate is, indirectly, the result of the demand for exact knowledge in business, for authentic facts and figures on which to base business estimates and judgments, which has replaced the old rule-of-thumb systems and guesswork formulas. It is also the result of the passing of the old-fashioned concept that to be "in trade" constituted a lowly pursuit that was sordid in purpose and unworthy of persons of intellectual attainment, which has brought new people into business to whom the reading of books is not only an enjoyable recreation but also a form of education essential in developing them for advancement in business.

These changes in the old order of affairs have led to the establishment of business libraries by the larger and more important concerns in industrial, commercial, professional and financial fields. Business bookplates are as necessary in such libraries as in any public or private library.

The purposes of these business libraries vary widely. The first of them probably originated in one of those inexhaustible repositories of live information, a newspaper office. Bound volumes of periodicals, directories, almanacs, reference tables, encyclopaedias, dictionaries, who's who and countless other volumes of data are essential in an editorial office. Some of the reference libraries in such organizations have now grown to amazing proportions.

Law libraries for reference came into existence with the growing needs of attorneys and other professional libraries soon followed. Within the past generation, many technical libraries have been gradually built up, through sheer practical necessity, by some of the larger manufacturing houses and have grown to such proportions as to make necessary the employment of trained librarians.

Not the least serviceable of these business libraries are those maintained by large institutions, ranging from department stores to insurance companies, banks and mercantile concerns, for the entertainment of men and women workers during their hours of recreation as well as for their instruction at all times. The business bookplate is thus a very logical development of modern times.

In general, the business bookplate has followed the precedents in design and character that have been established by such institutions as public libraries, university libraries and the libraries maintained by scientific societies and similar bodies, with such modifications as have naturally suggested themselves.

Beginning with the simple printed label that bore merely the firm's name and that sometimes provided space for the serial number of the volume, business bookplates have grown in artistic merit and acquired a dignity that is comparable to that of the bookplates designed for the best of our private and institutional libraries. The fact that a bookplate of real merit serves not only to identify the books of a business library but has the further advantage of according an amount of publicity

and prestige to the firm that produces it, has given a stimulus to the vogue that is now promising to become widespread.

The production of a business bookplate involves no more expense than would the production of any other bookplate; indeed,



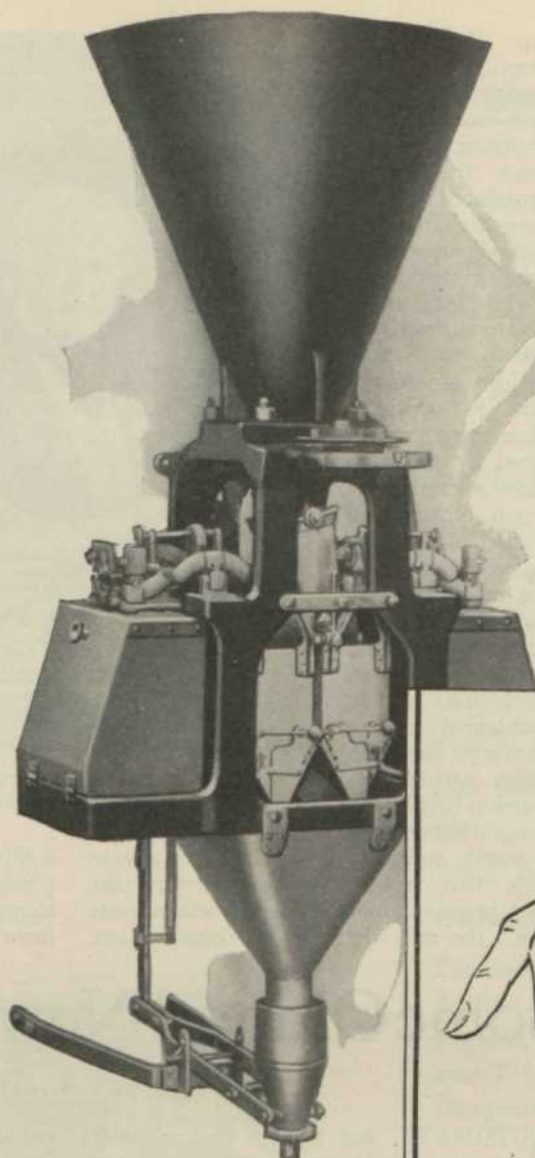
Marshall Field and Company uses this line cut for its library



The dignified bookmarker of the Bank of Montreal



Brooks Brothers symbolize age and product in their bookplate



Your producing partner — machinery

... is it responsible?

YOU insist that your associates be answerable for the duty or trust they assume in the conduct of your business. Why should not the same condition be exacted from your real producing partners—automatic machinery?

It has been the aim of AMF engineers to design, develop and build *responsible* machinery to act as producing partners in many varied lines of industry. Their success has been largely due to their conception of the fact that such machinery must embody all the virtues and none of the frailties of human labor.

Take the No. 200 Automatic Weighing Scales as a case in point. The double scales illustrated apportion a continuous stream of material up to $\frac{3}{8}$ " mesh into bottles or other containers carried along on a conveyor. They will weigh

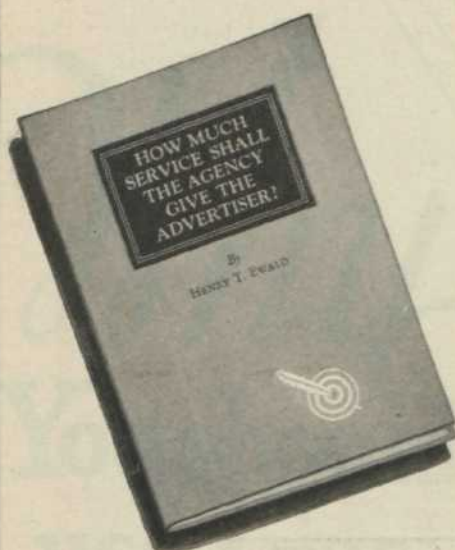
out the material in lots of 1 to 20 ounces, 90% to actual balanced weights, the remainder to within 1-16th of an ounce. No human hands could be so consistently accurate. As a consequence, waste is eliminated, and short or overweights minimized to a remarkable degree.

In brief this producing partner is responsible—answering faithfully to the duty imposed upon it.

Have you need for such a partner in your business? If so, address the American Machine & Foundry Company, 5502-5524 Second Avenue, Brooklyn, N. Y., or our Representatives at 58 Holborn Viaduct, London, England, and No. 1 The Bund, Shanghai, China.

AUTOMATIC MACHINERY

When writing to AMERICAN MACHINE & FOUNDRY COMPANY please mention Nation's Business



A common sense answer to a much-discussed advertising question, "How Much Service Shall the Agency Give the Advertiser?" We will be glad to send a copy to interested advertisers.

.. Address ..
CAMPBELL-EWALD COMPANY
GENERAL MOTORS BUILDING
DETROIT, MICHIGAN

NEW YORK . CHICAGO
SAN FRANCISCO . LOS ANGELES
PORTLAND
TORONTO . MONTREAL
PARIS



When writing please mention Nation's Business

some of the most pleasing of them consist of no more than an artistic rendering of the firm's trade-mark, reproduced by a line-plate from an original pen-and-ink drawing and printed in black on a good quality of paper.

More ornate designs in wash or color are reproduced by half-tone while several have been etched and printed from the engraver's plates. But among the best are numbered the plates engraved on steel or copper, which have long maintained a supremacy both in design and craftsmanship and which give an impression of worth and durability that has always made this method of reproduction the most popular among those to whom costs aren't the only determining consideration.



The plate of the A. T. & T. is a tribute to its founder

The specimens of business bookplates that accompany this paper give ample proof not only of the merit which this form of bookplate has attained, but also of the divergent classes of business houses which make use of it, ranging from retail clothing firms to banks, from railroad companies and export houses to printing and publishing concerns, and from insurance corporations, department stores, and telephone companies to manufacturers of musical instruments.

Indeed, practically any business or professional concern that maintains

a library either for practical reference purposes for its employees or for their entertainment, can find legitimate practical use for a business bookplate.

Some Old and New Freak Patents

BY JAMES L. WRIGHT

AUTOMATIC hat tippers that make it unnecessary for you to raise your hand when you want to doff your chapeau to a lady as you pass her;

Machines for transplanting hair, one piece at a time;

An automatic cash register by which another egg is rung up every time the hen proudly cackles cut-cut-cut-ca-docket;

A rat food composed largely of cork, which gives the rodent an awful thirst, and then when he drinks water the cork swells up and kills him;

A centrifugal propeller in a golf club that makes the duffer's drive look like that of a "pro,"—

Those are some of the freak patents that have been taken out in the United States Patent Office. "Nut" inventions by the thousands can be dug from the records of the patent office here. Even Abraham Lincoln contributed when he was President. He took out a patent intended to lift boats over sandbars in the river, because he had found the need of such a device when he made his famous trip down the Mississippi. The device was never practical.

The first patent was taken out in 1641, and in 1833 a man resigned from the patent office because he thought that everything possible had been invented. He wanted to obtain employment somewhere else before the rush of unemployment started from the dead patent office. At that time there had been 576 patents issued. Now they are being issued at the rate of 800 a day.

The automatic hat tipper for the ultra-

polite man consists of a patented mechanism inside the hat. As the wearer inclines his head forward in bowing, the hat is lifted from the head momentarily and then drops back in place.

The patented hair transplanter consists of a tubular needle in which is placed one hair at a time, with a knot tied at the end. After the needle is pushed through the scalp, it is withdrawn. The imbedded knot prevents the hair from falling. "Who's next?"

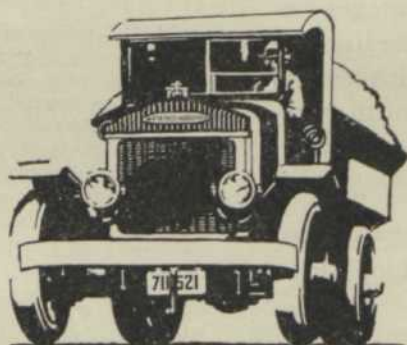
Data on Hen's Output

THE automatic cash register, attached to the hen, is intended to print on the egg the date laid.

The sound sleeper has a means of waking himself. A patented alarm clock not only summons you noisily but drops a ball on the head of the sleeper to make him get up.

A Brooklyn man has patented the device to give distance to the golf ball. The centrifugal propeller may be applied to the baseball bat, hammer, and other similar equipment, just as it is utilized in the golf club. Many years ago he heard of an ancient sword, reputed to have magical qualities. It was later discovered that its virtue lay in a hollow tube, running the length of the blade, and forming a channel for a globule of mercury. When the sword was raised, the mercury reposed in its hilt, but when it was swung into action the mercury rushed toward the tip, adding weight to the force of the blow.

...the truth about truck economy



Low price is sometimes mighty tempting to those not acquainted with truck values. But experienced truck owners know that good trucks cost much less per ton-mile, per month and per year. This is true economy.

Pierce-Arrow trucks are in the greatest demand of our history. Low haulage costs in every industry have turned the tide. Have you seen the low cost figures of leaders in your industry? Ask us for names.

Pierce-Arrow trucks are priced at \$3500 and up for chassis, f. o. b. Buffalo, N. Y. . . . Sizes: 2, 3, 4, 5 and 7½ tons. Six-cylinder Motor Bus prices upon application. Terms if desired.

THE PIERCE-ARROW MOTOR CAR CO.
Buffalo, N. Y.

**Let your Pierce - Arrow
distributor appraise
your used truck**

He can handle it to your best advantage by reason of his long experience and ample facilities.

Pierce-Arrow

Dual-Valve · Dual-Ignition · Worm Gear Drive
MOTOR TRUCKS



R. A. DUNANN, General Manager

"The Logical City of Pacific America"

AFTER operating in the Oakland industrial area for twenty-one years, the Standard Fence Company, western distributors of the Cyclone Fence Company, finds this district the best possible location for its Pacific Coast Plant. . . R. A. Dunann, general manager, writes:

"OUR distribution to interior points made by motor delivery over California's splendid highways; by railroads to points west of the Rocky Mountains; by boat to the Orient—has demonstrated Oakland to be the logical city of Pacific America for the widest distribution of our products.

"Among other advantages we would place high in the list: the happiness of our employees and ourselves, due to living in a city with an ideal climate, and clean, healthful social conditions.

"Oakland justifies analysis by any manufacturer seeking a Pacific Coast location."

Many nationally-known manufacturers, operating here, have given their reasons for finding Oakland and Alameda County the Pacific Coast location for their plants. These reasons are published in booklet form, entitled "We Selected Oakland." Send for your copy. . . A technical industrial report will be prepared for any interested manufacturer on request.

Write Industrial Department, Oakland Chamber of Commerce



This advertisement of Oakland and Alameda County . . . the West's fastest growing industrial district . . . is produced co-operatively by the Oakland Chamber of Commerce and the Alameda County Board of Supervisors

OAKLAND { AND ALAMEDA COUNTY } CALIFORNIA

"Industrial Capital of the West"

When writing to OAKLAND CHAMBER OF COMMERCE please mention Nation's Business

To Sell Abroad We Must Buy

EVERY meeting of foreign traders that includes citizens of other countries devotes some of its time to the discussion of the problem of the United States selling other countries more goods than they sell us. At the National Foreign Trade Council meeting, Travers Sweatman, K.C., and past president of the Winnipeg Board of Trade, presented this problem forcefully. He said in part:

It would be impossible for Canada long to continue to buy from the United States if we did not sell to the United States, or to some other country who in turn sold to the United States. No country can sell abroad continuously unless it also buys abroad. . . .

The subject of tariffs is, of course, part of the internal or domestic concern of each nation. Canada has no right to complain of the tariffs raised against her by the United States, and the reverse. Perhaps, too, if Canada were a free-trade country, I would be treading on delicate ground, touching upon these questions, but since Canada has a fiscal policy in many respects similar to the United States, and this is a meeting convened for the purpose of the advancement of foreign trade, I feel this is a suitable forum and perhaps an opportune time to touch upon these matters.

Similar Tariff Policy

THE policy of both countries is the same; it is to manufacture in our own country for our own people as many and as varied goods as possible; to sell the surplus of goods so manufactured for the best price possible in the markets of the world in return for raw materials required for our own manufactures or in return for goods which for peculiar reasons cannot be manufactured in our own country as cheaply or as skilfully as in some other country.

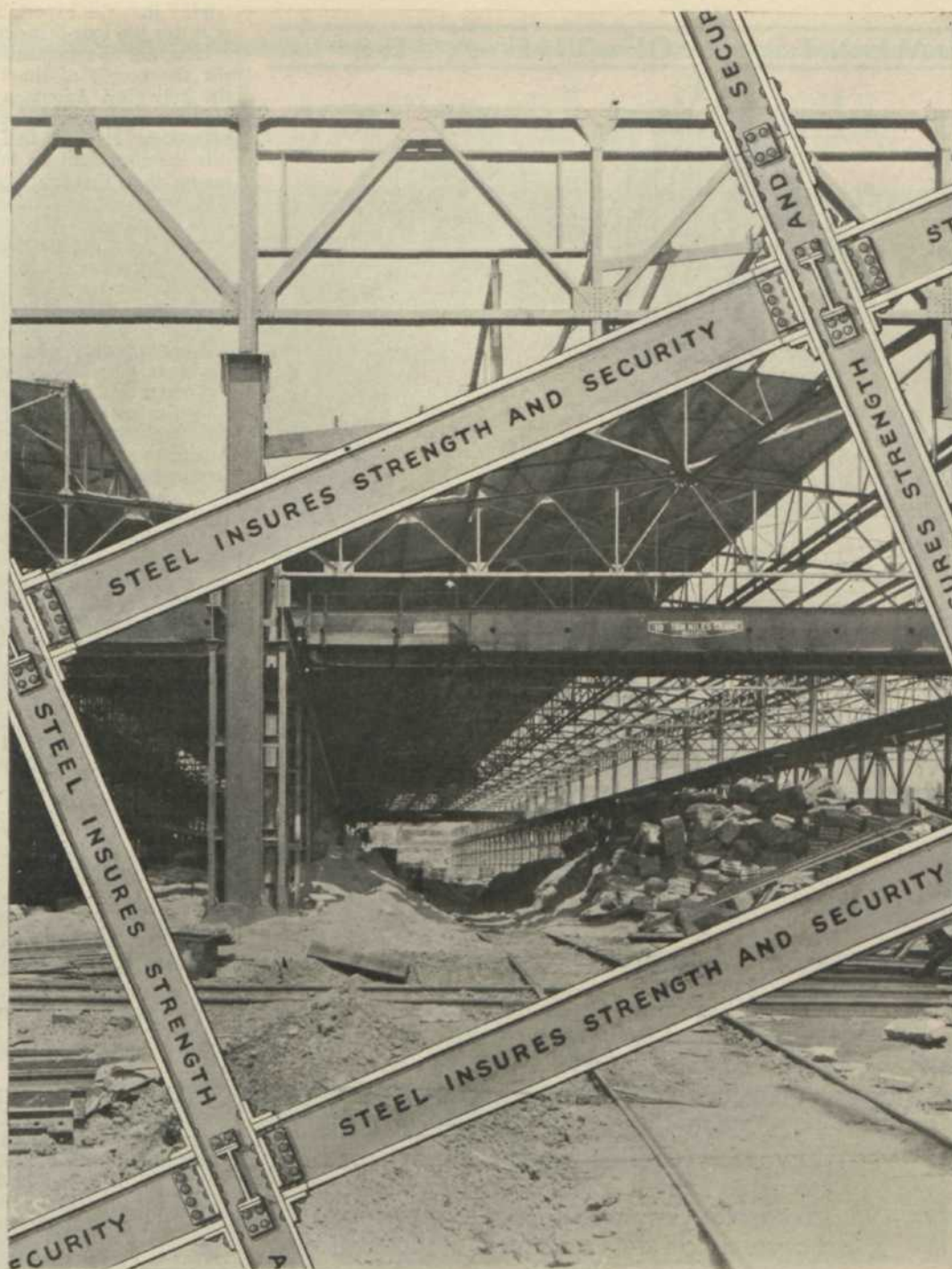
As a corollary to this proposition, to keep the home market for the home manufacturer by enforcing a tariff on all competing goods.

How far can we so modify our artificial barriers to the advantage of both countries?

Political demands for prohibitive tariffs are often granted as matters of expediency and very frequently work great hardships without accomplishing the results expected. . . .

I am fully alive to the fact that this question has two sides; but to return to an example of political expediency which I do not think accomplished its intended purpose, but which did a great deal of damage to a certain section of Canada, I would like to refer to the United States tariff on cattle.

Canada markets annually about one million cattle, and of these, Canada exports to the United States each fall an average of about 200,000 head. The total number marketed annually by the United States is about twenty million head, so that Canada exports about 1 per cent of the total requirements of the United States. Probably the biggest damage it does to the Canadian cattle trade is that this exportable one-fifth sets the price for the other four-fifths, so that this duty has roughly taken about 30 per cent from the value of all cattle in Canada. I am well aware that this statement may be challenged, but the Canadian stockman is in exactly the same position in respect to cattle as your farmers are in respect to your wheat. The United States consumes about four-fifths of its wheat and exports one-fifth. It is con-



NOTHING BUT *STEEL* IS GOOD ENOUGH



If you want a better building and earlier occupancy, with actual cash savings, investigate steel. Steel is the strongest, safest, most reliable of all structural materials. And it can be constructed *more rapidly*. That means weeks of extra rental and added savings in interest charges.

Let us send you all the facts about structural steel. Let us tell you how steel is being used for small buildings, bridges and residences, as well as for the largest structures. This service is offered without cost to you, or obligation on your part. We will also send you a complimentary copy of the Institute's informative fact-book, "STEEL NEVER FAILS."

AMERICAN INSTITUTE OF STEEL CONSTRUCTION, INC.

The co-operative non-profit service organization of the structural steel industry of the United States and Canada. Correspondence is invited. Address: 285 Madison Avenue, New York City

S t e e l I n s u r e s S t r e n g t h a n d S e c u r i t y

When writing to AMERICAN INSTITUTE OF STEEL CONSTRUCTION, INC., please mention Nation's Business

MONUMENTS OF THE AGES

THE NEW YORK LIFE
INSURANCE COMPANY
BUILDING

Architect
CASS GILBERT, INC.
New York City

General Contractors
STARRETT BROS., INC.
New York City



The World's Largest
Signal Control Elevator
Installation

The NEW YORK Life Insurance Company
Building and the **TAJ MAHAL**

Safety
Quietness—Durability
Finish

“THAT dream in marble” raised by the Emperor Shah Jahan to the memory of Mumtaz Mahal, his favorite wife—a lovely monument to death.

The New York Life Insurance Company's towering edifice is a mighty monument to life. It symbolizes the financial safeguarding of a vast host of living people; the protection and enrichment of thousands upon thousands of lives.

This magnificent building is equipped throughout with Dahlstrom Metal Elevator Entrances and Swing Doors. Dahlstrom metal products are famous for their fire-protective features, their dignified beauty, and the unfailing service they give.

DAHLSTROM METALLIC DOOR CO.

INCORPORATED 1904

JAMESTOWN, NEW YORK

NEW YORK, 475 FIFTH AVE. CHICAGO, 19 SO. LA SALLE ST.

DETROIT, 1331 DIME BANK BLDG.

Representatives in principal cities



DAHLSTROM

When writing to DAHLSTROM METALLIC DOOR CO. please mention *Nation's Business*

tended that the exportable one-fifth sets the price for the four-fifths consumed.

How did the imposition of this duty assist the people of the United States? Did the individual American cattle raiser obtain an advantage corresponding to the penalty suffered by his Canadian competitor?

It is self-evident he did not, for the simple reason that Canadian cattle represent only 1 per cent of the total number of American cattle marketed. To what extent will 1 per cent of Canadian cattle affect the price on all of the American cattle? It would be impossible for me to reduce this to a precise answer, but I think it is obvious that it would be very slight.

American duty will benefit the American stockman only to the extent that it excludes Canadian cattle. If, in spite of the duty, the Canadian cattle are still exported to American markets, then they have no effect on American prices, whether they come in duty-free or heavily penalized.

To show you that it is the policy of the United States not to buy Canadian manufactured goods, it is evidenced by the following figures which show the almost negligible amounts purchased by the United States of certain lines which are representative of the type of completely manufactured articles which Canada exports:

Article	Imports from Canada
Wheat flour.....	\$62,448
Manufactured articles of rubber.	29,657
Dressed furs and manufactures of fur	157,131
Furniture of wood.....	14,722
Machinery (except agricultural) and machine tools.....	308,797
Electrical apparatus.....	38,906
Brushes	436

Moreover, from time to time the United States uses its emergency tariff for the purpose of instantly creating what is, to all practical intents and purposes, a retroactive prohibitive duty. This has been put into effect from time to time so as to discourage our manufacturers from entering into the American market. . . .


At the present time Great Britain is your best customer. In 1900, Great Britain purchased from the United States \$694,000,000, as compared with \$102,000,000 by Canada—a ratio of 7 to 1. In 1926 Great Britain purchased from the United States \$971,000,000, as compared with \$609,000,000 by Canada—a ratio of approximately 5 to 3. Having regard to the progress which we have made during the last twenty-five years, who do you think will be your best customer ten years hence? And should not this fact weigh heavily with you in according to Canada the treatment you ordinarily accord to your most valued customer?

The American side of this question was put forward by James A. Farrell, chairman of the National Foreign Trade Council and president of the U. S. Steel Corporation, who said in part:

The time has gone by when direct balances between separate nations can be struck accurately without reference to other countries, or when these direct balances can be taken as a criterion of the actual trade positions of these countries. The world has become one market.

Countries which see something disadvantageous in their adverse trade balances with the United States should take into consideration their indirect trade and, should they still desire a more even balance in their direct trade with us, study means of increasing the range of their products which may be salable

Unusual? No, you could get similar results



ESTABLISHED 1880

GEORGE WYMAN & CO.
SOUTH BEND, INDIANA

NEW YORK OFFICE
211 AVENUE C

APRIL 23, 1927.

Mr. R. S. Haage,
The American Multigraph Sales Co.,
South Bend Branch,
South Bend,
Indiana.

Dear Sir:

In reply to your inquiry concerning our Multigraph equipment.

The equipment that we have now is two years old and in that time has given us exceptional service with minor repair expense.

We feel that in a store using only a limited amount of printed matter, where the runs are comparatively small, a Multigraph is a distinct advantage. In a short time it practically pays for itself in the printing bills it saves.

Besides the saving on printing bills, the speed with which you can have the small runs executed and the time saved is an advantage. As an example: very frequently we have postal cards that we wish to have in the mail the same day.

In advertising material, our monthly calendar, package enclosures, etc. the cost, owing to the small amounts, if we had them printed, would be prohibitive.

In closing we will say that we can highly recommend the Multigraph and will be glad to answer any further inquiries.

Very truly yours,
GEORGE WYMAN & CO.
Edward Jambough

RECEIVED

WITH THE printing MULTIGRAPH

THESE little calendar folders, printed on stocks of different colors, show how easily one gets good printing, attractive design and interesting illustration by Multigraph methods. A variety of other printed matter sent us by the same store shows similar ingenuity and excellence. For further details write to

THE AMERICAN MULTIGRAPH
SALES COMPANY
1806 East 40th Street Cleveland, Ohio
(Also listed in telephone books of
50 principal cities)



Paper (Bretany DesPlaines)	\$ 4.57
3 Nickel Plates	6.25
Ink	.25
Operator's Time	8.25
	\$ 19.32

Printers Estimate	28.65
<i>our price</i>	19.32
Savings effected	\$ 9.33

*This price holds true
on all calendar
samples mailed you*



Buildings Will Not Stay Put



1
Remove post caps. Remove bolts and take apart unit by unit.



2
Set base around new enclosure and bolt to floor.



3
Assemble units, bolt posts, slip on post caps and hang doors.

Plan a factory or office department today, and tomorrow your business requires changes; departments won't stay put.

Mills Metal Partitions make these changes possible easily, quickly and at practically no cost. Made in standard interchangeable units of 20, 40, 60, 80 and 100 inches. Two 40's will exactly replace one 80; a 60 and a 40 will exactly replace one 100, and so on. A standard door is interchangeable with any 40-inch unit.

No hammering or sawing; no cutting and fitting. No dirt. No mess. Every piece fits tight. Stays that way. Fireproof. Clean. Neat. And when changes are required—1*, 2* and 3* and the job is done.

Send for our booklet, "Making Money with Mills Metal." It tells about how you can save money, no matter what type of building you have for there is a Mills Metal Partition for every purpose.

THE MILLS COMPANY
900 WAYSIDE ROAD, CLEVELAND, OHIO

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7 West 42nd St.
Phone Longacre 10263

CHICAGO
1216 First National Bldg.
Phone 6100

DETROIT
2231 Park Ave.
Phone Randolph 3000

Representatives in all Principal Cities

MILLS METAL

Mills Metal Partitions for offices, factories, lavatories, showers, dressing rooms, beauty parlors, etc. Hospital cubicles and screens.



Mills Metal representatives are located in more than fifty principal cities. Estimates gladly furnished on any job; large or small.

in this country. There are, on the other hand, many markets of the world where the United States buys much more than it sells.

It is an interesting commentary upon our trade with Canada that Canadian imports from the United States have attained their present proportions in spite of the tariff policy of the Dominion. American products are invariably subject to the highest rates of duty, and we are at a disadvantage in comparison with the other industrial nations competing for Canadian business as well as handicapped in comparison with virtually all of the countries of the British commonwealth of nations whose products naturally enter Canada at the lowest existent rates. Belgium, for example, has a lower tariff in Canada than the United States on some steel products.

We have heard during this convention something of the feeling from Canada about their treatment under the United States tariff, in which they have reminded us that our import duties on Canada's natural products are in many cases higher than the Canadian duties on our natural products, and that our duties are so high as to prevent the expansion of Canadian exports to the United States—notably of wheat and livestock.

It would seem that there is room for doubt as to whether Canada loses as much trade on account of our tariff as we lose on account of the least favored nation treatment accorded us by Canada. Therefore, we hope to derive some benefit from the speeches made yesterday, and from the fact that there is a sincere desire to get into a more reciprocal situation with respect to Canada-United States trade. All United States commodities which are dutiable in Canada are subject to the highest rates of duty, while on the other hand there is no preference to any particular nation in the United States tariff, with the exception of certain concessions to Cuba, which do not affect Canadian products. I mention this simply as an expression of American point of view upon the matter of our tariff relations with Canada.

Socialist Cars Lose

ANOTHER Socialist dream of the London Fabians has gone the way of all phantasies. The street cars of London, owned and operated by the London County Council, have just admitted a loss of \$1,285,790 during the last twelve months.

They are losing money at the rate of \$3,500 a day. They are carrying fewer passengers. The drop in the number of passengers was 23,000,000 last year.

They have been beaten by the big red buses of London and by the subway trains, both of which are owned and operated by a very efficient private company.

There has been a long duel between the two forms of transit—Socialist and Capitalist—and the Capitalist has won all along.

No one in London rides in a street car unless he must. Not one citizen feels proud of the vast system of street cars that belongs to the city of London.

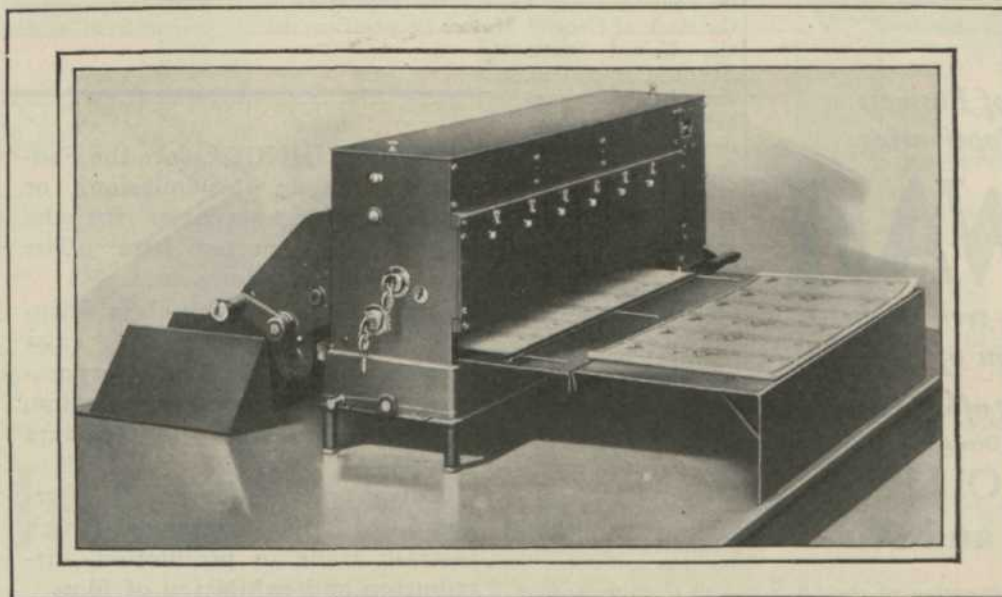
If a vote were taken to hand over the whole street-car system to a private company, the ratepayers of London would vote "Yes."

Yet, twenty years ago, the general opinion was that the street-car system would make glorious profits.

One by one, these bubbles of the Fabian Society have burst. Today, not even Sidney Webb nor George Bernard Shaw will ride in a London street car if he can help it.

The NEW TODD CHECK SIGNER

7500 checks an hour! Safer—at least 30 times faster. A real time-saver for executives



Jonathan A. Doe
ASST. TREASURER

THIS truly remarkable new Todd machine will relieve executives forever of the tedious, time-wasting labor of signing checks by hand. One trusted employee operates the Check Signer; an executive merely supervises. This machine takes checks in sheets of four, five or six, reproduces on them signature and photograph (or other symbol), cuts them apart and has them ready for distribution at the astonishing rate of 7000 to 9000 an hour!

The signature is more nearly non-counterfeitable than any other known method of signing. The actual signature plates never touch the paper and are locked in the machine with master and subordinate locks. The master key may be left in the possession of an executive, the subordinate key intrusted to the operator of the machine. The co-operation of both is necessary before the Check Signer can be unlocked for use. Every check signed is registered on a meter.

The new Todd Check Signer was recently used by the Lincoln Alliance Bank of Rochester, N. Y., to sign 28,000 Eastman Kodak dividend checks in four hours. Previously executives were required to spend 150 tedious hours on this operation. This is but one example of the very profitable application of this new machine. Consider what its use may save your own organization in actual salary expenditure.

If your executives are tied down to wasteful and tedious hours putting a personal autograph on large numbers of checks, you will certainly be interested in knowing more about the safety, economy and efficiency of the new Todd Check Signer. Call in a Todd representative or mail us an inquiry.

The Todd Company, *Protectograph Division*. (Est. 1899.)
1130 University Ave., Rochester,
N. Y. Sole makers of the *Protectograph*, *Super-Safety Checks*,
and *Todd Greenbac Checks*.



TODD SYSTEM OF CHECK PROTECTION



*The Eyes of Business
Are on Captivating*

HAWAII

*Join the big trek to the
convention of the*
U.S. Chamber of Commerce
Western Division
In HONOLULU
Feb. 8th and 9th

HOLDING the convention of the U. S. Chamber of Commerce, Western Division, in Honolulu is a recognition of Hawaii's increasing importance in American commerce, as well as of her incomparable beauty and romantic charm.

Be sure to attend! It means a delightful ocean voyage, a valuable business experience and a visit to a veritable paradise of loveliness! Bring your golf clubs and your tennis racquets. And count on all kinds of sports, new and old, as well as sight-seeing of fascinating interest.

*Sailings 3 Saturdays out of 4 direct
from Los Angeles to Honolulu...
over the popular southern route!*

THREE FAMOUS LINERS

S. S. City of Los Angeles (22,500 tons)
"Queen of the Pacific"

S. S. City of Honolulu (21,500 tons)
Newest LASSCO luxury liner

S. S. Calawaii (13,500 tons)
Particularly Comfortable Cabin Liner

Whenever you can arrange to go—that is the best Season to visit Hawaii, the land of almost perpetual Spring.

All inclusive Tours—\$278.50 and up, covering every necessary ship and shore expense, depending on steamship and hotel accommodations selected.

Special Personally Conducted Tours on the Autumn sailings of the S. S. City of Los Angeles and S. S. City of Honolulu—\$323.50 and up.

Both tours take three weeks from Los Angeles to Hawaii and return. They include sightseeing trips and Island hotels together with the 3-day wonder trip from Honolulu to Hilo and Kilauea volcano.

Hawaii is part of the great Pacific Coast empire . . . come and enjoy it all.

Los Angeles Steamship Co.

New York, N. Y. 505 Fifth Avenue Chicago, Ill. 140 S. Dearborn St.	730 S. Broadway Los Angeles 50-2	San Francisco 685 Market Street San Diego 217 E. Broadway
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Recent Federal Trade Cases

AN INVESTIGATION into the close financial relationship alleged to exist between the United States Steel Corporation, the General Motors Corporation and the E. I. du Pont de Nemours Company has been ordered by the Commission upon motion by Commissioner A. F. Myers.

Recently published financial reports were cited by the Commission to show that the du Pont Company has a large investment in the stock of General Motors Corporation and the United States Steel Corporation, and that it expects to have a number of directors representing its interests elected to the Board of the Steel Corporation and in other ways to develop a close corporate connection between the three companies.

There has been deep interest in official circles recently over the reported developments, and the first action came when the Commission was offered a resolution ordering the inquiry.

The Commission holds that the establishment of a community interest among these three corporations, reputed to be among the largest in the nation, is a matter of public concern, and that it has the power, if it finds that a merger which it believes would prejudice public interest is being contemplated, to issue a cease and desist order under the Clayton Act. The Commission, in issuing the order for the inquiry, calls attention to the act creating the Federal Trade Commission and giving it the power and authority to inquire into the organization, business, conduct, practices and management of corporations. If the Commission did not issue a cease and desist order, but felt that action was warranted, it could certify the facts disclosed to the Department of Justice and ask that a suit to enjoin be instituted under the Anti-Trust Act.

The resolution of the Commission directs the chief economist to make an inquiry into the relationships, direct or indirect, tending to bring these three large corporations under a common ownership and control or management, with information as to the probable economic consequences of such community of interest.

The resolution adopted by the Commission is as follows:

Whereas, it appears from published financial reports of the E. I. du Pont de Nemours Company that it has a large investment in the stock of the General Motors Corporation; and

Whereas, it is currently reported in the press that the said du Pont Company has recently acquired a large holding in the capital stock of the United States Steel Corporation, that it expects to have a number of directors representing its interests elected to the board of the latter com-

pany and in other ways to develop a close corporate connection among them; and

Whereas, the establishment of a community of interest among these three corporations which are reputed to be among the largest industrial corporations in this country is a matter of public concern; and

Whereas, the act creating this Commission authorizes it to inquire into the organization, business, conduct, practices and management of the said corporations, now, therefore, be it

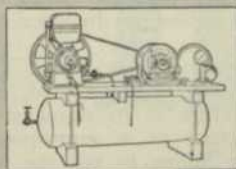
Resolved, that the chief economist of this Commission be directed to cause an inquiry to be made into the relationships, direct or indirect, among the United States Steel Corporation, the General Motors Corporation and the E. I. du Pont de Nemours Company, tending to bring them or any other important industrial corporations under a common ownership, control or management, with information as to the probable economic consequences of such community of interest, and to report the facts to this Commission.

THE COMMISSION has issued an order against two individuals and a corporation requiring the discontinuance

of unfair methods of competition in the motion picture industry. The order prohibits the individuals and corporation from continuing a conspiracy among themselves or with other persons to lessen competition and restrain trade in interstate and foreign commerce in the production, distribution and exhibition of motion picture films; from the practice of block-booking of films—leasing films in a block or group and compelling the picture house which shows the films to take all pictures in the group or block, or none at all, without regard to the character of the pictures or the wishes of the picture house—from acquiring or threatening to acquire theaters for the purpose of intimidating or coercing an exhibitor of films to book and exhibit films of the corporation. (Docket 835.)

THE COMMISSION released a statement respecting a trade practice conference held at Pittsburgh, Pennsylvania, April 30, 1927, for those engaged in teaching various subjects by correspondence.

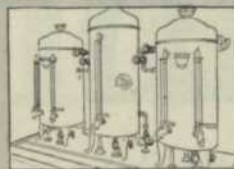
The conference was attended by representatives of institutions which conduct about 80 per cent of the volume of business in this field. After the conference convened, the Director of Trade Practice Conferences acquainted those assembled with the various alleged unfair methods of competition described in complaints filed with the Commission from various sections of the country. He read rules which had been adopted by members of the industry at an unofficial conference, as well as a memorandum of prac-



Air Compressors



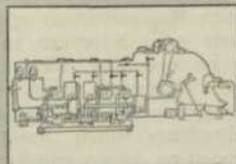
Clothes Pressers



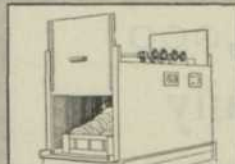
Coffee Urns



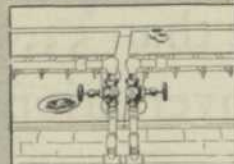
Cookers and Mixers



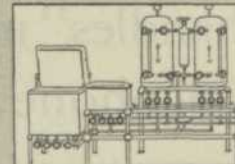
Dairy Equipment



Dish Washers



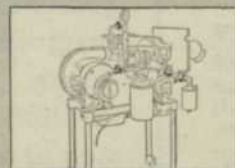
Griddles and Steam Tables



Hospital Equipment



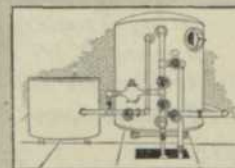
Laundry Machines



Oil Burners



Steam Shovels



Water Softeners

If valves are a part of your product



Fig. 169
Bronze Angle, male
union, composition
wheel.



Fig. 720
Bronze Rapid
Action



Fig. 152
Standard Bronze
Swing Check, screwed



Fig. 370
Standard Bronze
Gate, screwed

Consider the use of Jenkins Valves which are standard equipment on numerous products, including apparatus of every description from delicate hospital equipment to rugged steam shovels.

Very often apparatus does not give a full measure of satisfaction due to faulty valves. That's why many manufacturers make sure of the valves by standardizing on Jenkins.

These valves because they are so well and favorably known help the sale of a product; and as one manufacturer puts it, "The fact that we use Jenkins Valves is pointed out as a feature of our equipment."

To trustworthy performance may be added the pleasing appearance of Jenkins Valves, especially the nickel plated and finished valves used on coffee urns and other apparatus exposed to public view.

May we suggest that you write our Sales Engineering Division which is cooperating with manufacturers in supplying the correct valve in bronze or iron, standard, medium or extra heavy pattern for various types of apparatus and equipment?

JENKINS BROS.

80 White St., New York, N. Y. 133 No. Seventh St., Philadelphia, Pa.
524 Atlantic Ave., Boston, Mass. 646 Washington Blvd., Chicago, Ill.

JENKINS BROS., LIMITED
Montreal, Canada London, England

FACTORIES:

Elizabeth, N. J. Montreal, Canada

Always marked with the "Diamond"
Jenkins Valves
SINCE 1864



Fig. 144
Standard Iron Body
Angle, flanged



Fig. 296
Standard Iron Body
Y, screwed



Fig. 323
Standard Iron Body
Gate, screwed

MADE FOR MAXIMUM SERVICE NOT MERELY THE AVERAGE



The Bell System "handles" more than 53,000,000 telephone conversations daily

HALF again as many as there are letters written daily; more than seventy-five times as many as daily telegrams. As long as people talk, the volume of business of the Bell System is secure. ¶ It's a service utilizing the work of more than 300,000 men and women and physical properties valued at \$3,000,000,000.

For investors: Vital facts about the A. T. & T.

Its management is recognized as far-sighted, conservative and yet progressive. ¶ Its endeavors to perfect service through extensive and exhaustive research and development are unceasing. ¶ It owns 91.65% of the combined common stocks of the operating companies of the Bell System. ¶ The plant investment in these companies is greater than that of the largest railroad system in the country. ¶ It—and its predecessor—have paid dividends regularly for 47 years. ¶ Its stock can be bought in the open market to secure a good return.

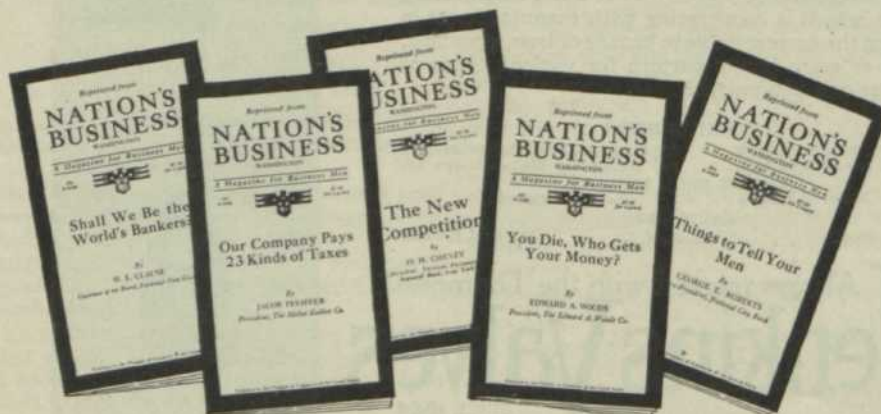
Write for booklet "Some Financial Facts."

BELL TELEPHONE SECURITIES CO. Inc.

195 Broadway



NEW YORK



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NATION'S BUSINESS, Washington, D. C.

tices not covered by such rules which had come to the attention of the Commission.

A committee was appointed to draft rules in conformity with the spirit of the resolutions adopted. Upon presentation of the report of this committee, each rule or resolution was separately discussed and separately voted on.

The methods condemned by the conference covered a broad field, involving misrepresentation as to standing, responsibility or character of a correspondence school, either by failing to tell the whole truth or by deliberate misrepresentation. Common forms of this appear at times in the name under which the institution operates; by representations with reference to buildings alleged to be occupied, pictures or symbols used in advertisements or on letterheads, etc., classified newspaper advertisements under column headings which represent the institution's position as an employer in need of service instead of an institution rendering service, representing the institution as a collection agency to intimidate debtor students, by conveying the impression that the institution is run for the benefit of students without profit to itself; by representing that prominent persons are faculty members, when they are not, and by giving inadequate or false address.

Misrepresentations respecting the securing of positions or increases in earnings for prospective pupils, taking the form of inducements incapable of fulfillment.

Misrepresentations as to the service alleged to be rendered by some institutions consisting in conferring degrees and issuing diplomas under conditions with reference to which adequate teaching facilities, quality and thoroughness of instruction and content of courses are lacking; in misapplying professional and vocational terms to instruction and in unwarranted claims as to the giving of "personal instruction."

Prospective students are misled as to prices through: limited, special and free offers, which are not intended to be and are not either limited, special or free offers; reductions offered from fictitious prices made sufficiently high to net the regular prices of the courses after granting such deductions; "money back" guarantees, agreements, and contracts; offers of scholarships or partial scholarships, which are mere selling devices.

Disparagement of competitors or of their courses of service, the enrollment of students not qualified for the courses applied for, and the use of superlatives in advertisements and other descriptions were condemned.

The Commission approved the resolutions adopted by the industry to become effective January 1, 1928.

JOBBERS who buy the output of a state prison factory and then sell these products to their customers are in truth still jobbers and not manufacturers, according to findings by the Commission following its investigation of trade practices of a manufacturing company of Chicago.

The company has been ordered by the Commission to discontinue selling shirts, shoes, binder twine or other merchandising under a trade name or corporate name which includes the word "manufacturing" or a word or words of like import, unless and until such respondent actually owns and operates, or directly and absolutely controls a factory in which the shirts, shoes, binder twine, or other products so sold and distributed by such respondent are actually manufactured.

The Commission found the company purchased large amounts of shirts, shoes, and binder twine from a state after the manufacture of these articles in the state's prison and sold these articles to its customers after

Individual

for each manufacturer - -

Different problems develop for different manufacturers in building up their distribution in the great New York Market. Each manufacturer finds peculiar conditions with which to contend, due in part to the character of his merchandise, in part to his own merchandising methods, and in part to the sales methods of his trade.

Bush Distribution Service has succeeded because it makes the necessary adjustments for each individual manufacturer, taking into consideration his peculiar problems, and pre-determining a special made-to-order system to insure prompt and perfect deliveries.

The agent for an electrical refrigerator needs no stocks delivered to his store. He merely requires a permanent display line. But he must be certain that a complete machine will reach his customer's home, according to exact shipping instructions, at the time his representative calls to install it.

Competition is so keen today

BUSH DISTRIBUTION SERVICE

1. Freight cars taken over from any railroad and carefully unloaded at Bush Terminal and merchandise placed in special service rooms.
2. Merchandise checked and entered on inventory forms and duplicates issued. Shortages, damages and other irregularities immediately reported.
3. Special inspection of merchandise involving unpacking and re-packing.
4. Immediate release of merchandise upon delivery instructions, seven copies of each order being issued for efficiency.
5. Automatic stock records posted for withdrawal of each unit of merchandise . . . and monthly summaries issued of total withdrawals and stocks on hand.
6. Delivery of merchandise to any point in Greater New York in shortest time possible.
7. Open Stock Service includes unpacking cases, stocking merchandise in special compartments according to size, style and type of product, and assembling merchandise for assorted orders.

that one manufacturer leads another by the slightest fraction of an advantage.

The successful merchant is keen enough to spot that difference and appreciate it . . . he recognizes the importance of the physical side of distribution.

The remarkable efficiency of Bush Distribution Service is especially appreciated by the big New York merchants who realize the necessity for prompt, efficient and economical distribution of their merchandise throughout this wide metropolitan area. They recognize that it would be impossible for Bush Service to function so efficiently in such volume were it not

for the perfection of the general system . . . and the special adaptations of service to each manufacturer's peculiar problems.



BUSH TERMINAL CO.
Distribution Service
New York

Bush Terminal Company
Distribution Service — Dept. A-4
100 Broad St., New York

You may send me, without obligation, your booklet, "Distribution Perfected."

Name.....

Firm.....

Street.....

City.....State.....

Wanted:
any cleaning job that
OAKITE cannot do better,
quicker and at lower cost!

**Take this opportunity
NOW to cut cleaning
costs and get better
cleaning results**

NO MATTER what you manufacture—shirts or airplanes, needles or locomotives, you will find that there are one or more cleaning operations involved that afford opportunities for effecting a saving in cost or an improvement in the product.

Keen management has quickly capitalized such opportunities by using Oakite materials and methods. And today over 18,000 concerns, leaders in more than 300 different industries, have adopted modern, scientific OAKITE methods.

You can be certain YOUR cleaning is as efficient as it should be by calling in one of our Service Men. You will find his suggestions practical and constructive. Write today for him to call, tell us your problems or ask for booklet bearing on your work. No obligation.

Oakite is manufactured only by

OAKITE PRODUCTS, INC.

34 Thames Street NEW YORK, N. Y.
(Formerly OAKLEY CHEMICAL CO.)

*Oakite Service Men, cleaning
specialists, are located at:—*

Albany, Allentown, Pa., Altoona, *Atlanta, Ga., Baltimore, *Birmingham, Ala., *Boston, Bridgeport, *Brooklyn, Buffalo, *Camden, Charlotte, N. C., Chattanooga, Tenn., *Chicago, *Cincinnati, *Cleveland, Columbus, Ohio, *Dallas, *Davenport, *Dayton, Decatur, Ill., *Denver, *Des Moines, *Detroit, Erie, Flint, Mich., Fresno, Cal., *Grand Rapids, Harrisburg, Hartford, Houston, *Indianapolis, Jacksonville, Fla., *Kansas City, *Los Angeles, Louisville, Ky., *Memphis, Tenn., *Milwaukee, *Minneapolis, *Montreal, Newark, Newburgh, N. Y., New Haven, *New York, *Oakland, Cal., Omaha, Neb., Philadelphia, *Pittsburgh, Portland, Me., *Portland Ore., Providence, Reading, *Rochester, Rockford, Rock Island, *San Francisco, *Seattle, South Bend, *St. Louis, Syracuse, *Toledo, *Toronto, Trenton, N. J., *Tulsa, Okla., *Utica, *Vancouver, B. C., Williamsport, Pa., Worcester.

*Stocks of Oakite Materials are carried in these cities

OAKITE
Industrial Cleaning Materials and Methods

advertising itself as a manufacturer and a direct-from-the-factory dealer.

A MANUFACTURING company of Chicago has been ordered to discontinue selling and distributing in interstate commerce any shoes which are branded or labelled with the letters "U. S." or with letters or words of similar import, or with a simulation of what is commonly recognized as the shield of the United States, or any other device of similar import, unless all of the shoes so sold and distributed were made for and under the supervision and specifications of the Government of the United States.

The shoes were made in a state prison and resemble in general appearance shoes which have for many years been used by and manufactured under the supervision and specifications of the United States War Department.

Such shoes contained branded and imbedded on their soles the letters "U. S." in large, conspicuous type surrounded by an outline of what is commonly known and recognized by the public as the shield of the United States, below which in smaller letters and less conspicuous type appeared the brand, "Munson Army Last." With the full knowledge and consent of the respondent company such brands and words were placed on the shoes under the direction of the warden of the state prison, for the purpose of aiding in the sale of the shoes. The shoes were invoiced and billed by this company to its customers as "United States Army Munson Last Work Shoes."

The use of this brand by the company is found by the Commission to be misleading and to have the tendency to deceive the consuming public into believing such shoes were genuine army shoes manufactured under government supervision. (Docket 1367.)

THE Federal Trade Commission is releasing for publication from time to time statements of rulings where the practice complained of and found to be unlawful has been discontinued by stipulation and without the issuance of complaint.

Stipulation 46 provides that an individual engaged in the manufacture, sale and distribution of umbrellas discontinue the practice of using the word "Bakelite" as descriptive of the handles of the umbrellas when the handles were not made of bakelite.

Stipulation 47 provides that a corporation engaged in the manufacture and sale of mattresses discontinue the use of statements, representations, or labels purporting the material of which its mattresses are manufactured to be new and to discontinue the use of the word "cotton," either independently or in connection with other words in advertising matter or on labels, unless the mattresses are manufactured from new cotton material.

Stipulation 48 provides that copartners engaged in the manufacture and sale of umbrellas discontinue the practice in Stipulation 46.

Stipulation 49 provides that a corporation engaged in the manufacture of fountain pens, metallic pencils and similar products, and in their sale and distribution, discontinue the practice of its plan or policy to control resale prices.

Stipulation 50 provides that a corporation engaged as a converter and wholesale distributor of cotton fabric discontinue the use of the word "Satinmaid" as descriptive of its products when in fact the product was not composed of silk or satin either in whole or in part.

Stipulation 51 provides that a corporation engaged in the manufacture and sale of small pocket-sized editions of books discontinue

the use of the word "leather" as descriptive of the binding of these books when in fact the bindings were not composed of leather in whole or in part.

Stipulation 52 provided that a copartnership engaged in the manufacture and sale of men's shirts discontinue the use of the word "Subsilk" as descriptive of the shirts either in advertising or on labels. The shirts were made of a cotton fabric resembling silk in appearance.

Stipulation 53 provided that a corporation engaged in the manufacture and sale, among other things, of bedding, including mattresses, pads, puffs, comforters and similar products, discontinue its use of the word "cotton" in its advertisements, catalogs, price lists and other printed matter, either independently or with other words. The fabrics were not composed of cotton either in whole or in part.

Stipulation 54 provides that a corporation engaged in the sale of roofing cements, paints, enamels, varnishes, specialties and other products, discontinue the use of the words "Manufacturers of roofing, cements, paints, enamels, varnishes, and specialties" when the corporation neither owns, controls or operates, and has not owned, controlled or operated a mill or factory for the manufacture of such products.

JOBBER may not do business under a name which indicates to the public that they are manufacturers, rules the Commission, in the case of a New York firm. The firm is also ordered to discontinue the use of the words "ivory," "amber," "shell," "ebony wood," or "American pin seal" unless the articles advertised are actually made from these substances. (Docket 1440.)

A COFFEE company of Boston has been ordered by the Commission to discontinue its apparent attempts to control prices at which its products are sold to the retail trade.

Certain practices of this firm in seeking to hold the retail marketing of its wares under its own thumb nail are classed by the Commission as unfair methods of competition in interstate commerce.

The company has had a fixed scale of prices for use in selling its products to the retail trade and, through its jobbers, has sought cooperation for the maintenance of these retail prices and in detection and punishment of recalcitrant or unwilling jobbers who refuse to demand such prices from their customers, according to the findings of the Commission. (Docket 1111.)

THE COMMISSION has dismissed its complaint against a confectioners' club of Richmond, Virginia, because a final decree was rendered April 13, 1927, by the District Court of the United States for the Eastern District of Virginia, in a proceeding instituted by the United States of America, by which decree the above respondents are perpetually enjoined and prohibited from doing the things against which the Commission's complaint was directed.

The complaint charged conspiracy to prevent competitors who were not members of the club from obtaining confectionery and allied products from manufacturers; to prevent non-members selling at prices less than those designated by the club members; and to suppress competition. (Docket 1445.)

The Commission has dismissed its complaint against a chemical and dye corporation of New York. The charge involved the acquisition of several chemical and dyestuff concerns. (Docket 1247.)

The complaint against an oil company of Rahway, New Jersey, has been dismissed.

When writing to OAKITE PRODUCTS, INC., please mention Nation's Business

Paper and Grinding

*[Abrasive Wheels in
Another Great
Industry]*



PAPER AND GRINDING

Axes and saws—made and kept sharp by grinding—fell the trees of the forest.

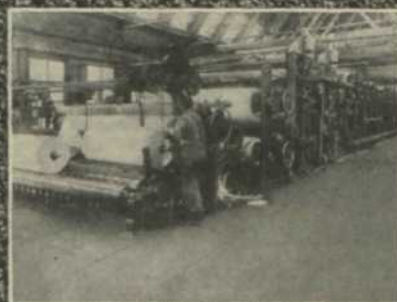
Mammoth man-made abrasive wheels now convert the trees into pulp.

In the paper-making machines and in the calendering processes that follow are a regular army of rolls—rolls upon whose proper functioning the very quality of the paper depends—rolls whose glassy smooth, accurate surfaces are formed by grinding.

Knives of razor edge—edges kept keen by grinding—trim the paper to size, hundreds of sheets at a single stroke.

Throughout the whole paper industry
GRINDING is an important factor.

Norton Company, Worcester, Mass.



NORTON

Grinding Wheels
Grinding Machines



Refractories-Floor
and Stair Tiles



Companies that contribute extensively to the construction industry, being thoroughly acquainted with it, are in a position to know and use the most modern, efficient methods and materials in their own buildings.

The floors throughout the new Yonkers plant of the Otis Elevator Company are Masterbuilt. In the offices "COLOR-MIX" colored hardened concrete is used. Throughout the plant Otis installed "Metallic" hardened concrete, the most wear-resisting, hence longest-lived concrete floor known.



Knowledge!

SPECIFYING Concrete Floors for modern buildings is *not* a simple matter. There is no golden formula—no one best way—no cure-all. Every building has its individual floor requirements just as it requires individual design, and thorough-going builders like Otis Elevator give particular attention to their special floor needs.

The service of our organization of Concrete Floor Experts is based on a knowledge of all approved types of floor hardeners and their fitness for various floor needs, gained by sixteen years' experience in this field.

One of our trained men, at no cost to you, will analyze your traffic and recommend the proper floor to handle it. On important projects, a Masterbuilt Floor-laying Specialist will, if you wish, do the work and stand behind it. Your floors installed through such service will be permanent assets to your business for years to come.

The roll-call of Master Builder's installations since 1911 is a list of America's industrial and commercial leaders.

THE MASTER BUILDERS COMPANY
Sales Offices In One Hundred Cities CLEVELAND, OHIO Factories at Cleveland and Irvington, N. J.

Masterbuilt Floors

HARDENED DUST-PROOF CONCRETE

When writing to THE MASTER BUILDERS COMPANY please mention Nation's Business

The company was charged with unfair price maintenance methods. (Docket 1089.)

The Commission has dismissed its complaint against a former wholesaler of pistachio nuts of New York City, because he has gone out of business. The complaint charged misrepresentation of the origin and quality of the nuts. (Docket 1368.)

The Commission's complaint against a tobacco company and a tobacco jobbers' association of Chicago has been dismissed because of the decision of the Supreme Court of the United States in the case. The complaint was unfair price maintenance. (Docket 902.)

AN INDIVIDUAL who conducts a one-man correspondence school from his home in Elkhart, Indiana, has been ordered by the Commission to discontinue certain unfair practices in connection with the sale of his mail courses.

It was found that, in his advertising and through his salesmen, he represented to prospective pupils that his courses were the courses of Princeton University; that his institution maintained numerous departments in which the various courses were taught, employed a large faculty of professors and possessed numerous buildings and grounds; and that, when pupils finished, Princeton University would confer degrees and issue diplomas.

In accordance with this last representation, diplomas were issued which appeared on their face to be the official diplomas of Princeton University.

The Commission found all these representations to be false and that the practices, according to the findings, resulted in deception of prospective pupils and diversion of business from those who truthfully represent their character and organization.

The Commission ordered the individual to discontinue representing in catalogs, pamphlets, or on envelopes and letterheads or by any other means whatever that the courses of study or instruction supplied by respondent are courses supplied by Princeton University or any other institution, or that such courses are prepared or endorsed in whole or in part by any professor or instructor other than himself, when said statements or any of them are not true.

Also it was ordered that he discontinue giving, conferring or offering to give or confer a degree or diploma purporting to be the degree or diploma of Princeton University or any institution, educational or otherwise. (Docket 1456.)

THE Zinc Export Association, Inc., of New York, has filed papers under the Export Trade Act with the Commission, for the purpose of exporting metallic zinc in slabs.

The Export Trade Act grants exemption from the anti-trust laws to an association solely engaged in export trade, with the provision that there be no restraint of trade within the United States, or restraint of the export trade of any domestic competitor, and with the further prohibition of any agreement, understanding, conspiracy or act which shall enhance or depress prices or substantially lessen competition within the United States or otherwise restrain trade therein.

A MIXTURE may not be labeled as white lead unless it contains more than 3 per cent white lead, rules the Commission in the case of a manufacturing company of New York City.

The trade and public, says the Commission, understand the term "White Lead" to mean either carbonate or sulphate of lead ground in linseed oil, without any



Larkin was *LOST* . . . when asked for proof

GEORGE D. LARKIN was lost when proof was demanded by the attorney for the plaintiff. "George D." as he was commonly known, was an executive of exceptional ability. Always diligent in the prevention of fires, he realized the enormous expense and tremendous loss due to curtailed production—the result of fires.

But alert as Larkin was to guard against the ravishing hunger of insidious fire, several departments including parts of the office were completely wiped out, as the result he is the defendant in this tiring and embarrassing law suit.

Temporary quarters offered partial relief. They meant the continued unity of the organization, sufficient production for unfilled orders and contracts. But temporary quarters and new machinery without the records of the business were useless.

All records of customers, contracts, prices, speci-

fications, etc., had fallen prey to the angry flames which had so ruthlessly destroyed the buildings.

Had these records been protected by Meilink Safes, Larkin's company could have been in production in temporary quarters instead of in the position of defendant in a costly and embarrassing law suit. Perhaps your company can suffer a similar experience.

When Meilink Safes protect your records you can feel confident that they will be unharmed no matter how severe the fire. Meilink Protection is pre-tested both in the Underwriters' Laboratories and in innumerable actual fires. This record of "*Better Protection*" in the field of service assures you that your records protected by Meilink Safes will be available after the fire. A wide range in sizes with an unlimited number of interior filing devices make Meilink Safes suitable for any requirement.

THE MEILINK STEEL SAFE COMPANY, Toledo, Ohio

Better Protection
MEILINK
BUILT SAFES



For the executive or private office, Meilink builds the Hercules line of smaller, inexpensive safes. Hercules, while not affording the same protection as Meilink "A" and "B" label safes, is guaranteed to give one hour protection from fire when tested by the Underwriters' Laboratory or the United States Bureau of Standards.

The aside-of-the-desk Hercules makes important papers and data ever convenient and avoids the danger of loss from fire and theft, when valuable papers and reports are taken from the usual places of safety for personal reference. Your choice of twenty-five steel interiors. Its lacquer finish harmonizes with all surroundings.

Hercules is also ideal for the protection of vital papers, precious heirlooms, silver and jewelry in the home. Its cost is far less than the home pays each year for food preservation and the loss it protects is far greater.

Priced so low that no executive office or home can afford to be without one.



THE MEILINK STEEL SAFE CO.
1671 Oakwood Avenue
Toledo, Ohio

Gentlemen:

Kindly send me information on Meilink Steel Safes as I have indicated below:
() Catalogue on Meilink Safes.
() Record of "Better Protection" of Meilink Safes.
() Details on Hercules Safes for my office.
() Details on Hercules Safes for the home.



Why YOU Need Dumore Motors

IF YOU are using universal motors in your product there are mechanical and sales advantages to be had through the use of a dynamically balanced motor.

Dynamic balance eliminates the vibration set up by unbalanced weight in a motor armature. It prevents noise, bearing trouble, costly repairs and service expense. It insures accuracy where the motors are used for precision work.

Dynamic balance is a fundamental principle of construction in Dumore Motors, secured through the use of a special machine, designed by an officer of this company.

This machine enables our skilled operators to detect and remove all unbalanced weight from a motor armature, at any point where it exists. An armature tested on this machine is in perfect running balance—vibrationless—and stays that way.

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Dynamically Balanced Motors

WISCONSIN ELECTRIC COMPANY
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other ingredients. The term "Combination White Lead" is understood to mean a mixture of white lead with other ingredients, in which mixture the white lead content shall be not less than 50 per cent of the total by weight.

The manufacturing company has been ordered by the Commission to discontinue the use of the words "Gold Seal Combination White Lead" with "Combination" in smaller letters on a mixture which does not contain more than 3 per cent of white lead. (Docket 1165.)

ACHICAGO company has been ordered by the Commission to discontinue certain unfair business practices.

The Commission found that respondents sent to individuals, such as insurance agents, tailors, and hotel managers, letters soliciting each to become respondents' representative in his locality, and as such representative, to buy respondents' fountain pens, pencils and sets for resale to the consuming public. In these letters the respondents represented themselves as the manufacturers of their wares and claimed to sell them at manufacturers' prices, thus eliminating the middleman's profit. Like representations were contained in respondents' advertising literature which was for distribution to prospective customers.

These representations, the Commission found, caused many individuals to become agents for respondents with the resultant deception of both agent and purchaser because of the fact that respondents were not the manufacturers of the pens, pencils and sets as represented by them, nor had they any interest in any factory.

It was found also that the price marks of \$7 on the pens, \$4 on the pencils and \$11.50 on the sets were fictitious and misleading, as the customary retail prices were \$2.50 each for the pens and pencils and \$5.50 for the sets. (Docket 1429.)

THERE are indications that a trade practice conference will be held in the near future in an effort to iron out difficulties in "block-booking" and other alleged unfair practices of the motion picture industry.

Eighty per cent of the producers and sixty per cent of the distributors have shown a willingness to participate in such a conference, it was suggested.

However, the Commission has not sent out invitations and the attitude of the producers and distributors has been ascertained through correspondence with key representatives of the industry.

The Commission is preparing a list with a view to obtaining complete representation at the conference. It will not be practicable for the 20,000 interested persons to attend a trade practice conference but it will be possible to invite representatives of every branch of the industry in every section of the country.

ON August 8, the Commission took the testimony in the inquiry regarding the acquisition by a cigar company of New York of the stock of two other cigar companies. Those who are conducting the inquiry are particularly concerned as to whether this acquisition substantially lessens competition in commerce between the buying company and each of the acquired companies.

Copies of the Commission's complaints, respondents' answers, and the Commission's orders to "cease and desist," or of dismissal may be obtained from the offices of the Editor of NATION'S BUSINESS, Washington, D. C., without charge by reference to the docket number. Transcripts of testimony may be inspected in Washington, or purchased at 25 cents a page from the official reporter, whose name is obtainable from the Commission.—The Editor.

How Much Gold in a Gold Watch?

By RICHARD J. WALSH

THE GOLD watch has lately been the object of a demonstration in the correction of abuses within an industry on the initiative of the industry itself. It is a striking and useful example. Millions of people have only to reach into their own pockets to hold in their hands an exhibit of what can be done by an industry to protect the public and protect itself.

With the cooperation of the Federal Trade Commission, the manufacturers of watch cases have determined the minimum thickness of gold alloy that must be used on a watch case bearing the word "gold." The reliable manufacturers never had any doubt about it. They made solid gold and gold-filled cases which were honest, reliable products. Solid gold cases and gold-filled cases were what these terms imply, the latter being made by use of a filler between two sheets of solid gold thick enough to withstand ordinary wear for a lifetime—usually guaranteed not to wear through for twenty-five years.

Ineffective Guaranties

TO THE fly-by-night adventurer, however, a few cents' worth of gold was formerly enough to serve as an excuse for the use on a watch case of the words "Guaranteed 25 years," although it could not possibly wear more than three years. Sold by an unreliable dealer, the customer would have little chance of getting the case replaced under the so-called guaranty, even if he were naive enough to go back and try.

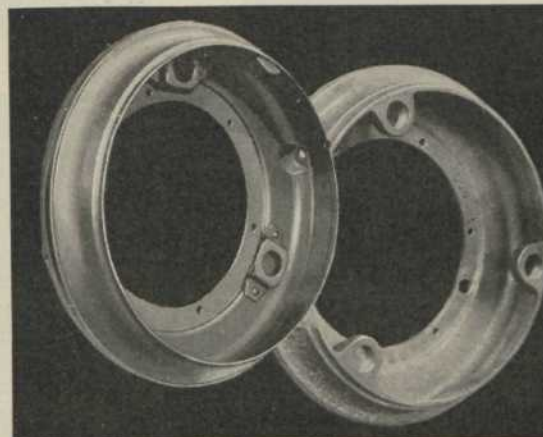
With the watch made of "solid gold" there were no difficulties. "Solid gold" means that the entire metal case is made of gold mixed with one of its alloys. The amount of alloy is indicated by the karat marking. A karat is the amount of gold in 24 parts of metal; thus pure gold is 24 karats, or, as it is called in England, "1000 fine"; 18 karat means that the metal is three-fourths gold and one-fourth alloy, or "750 fine."

Nobody knows how long a solid gold case will last. One of the most reliable companies in the United States, which has sold more than four million watches in the past forty years, says: "The length of life of a solid gold case has yet to be determined. Barring accident they pass from one generation to another in perfect condition."

To reassure buyers, the manufacturers of gold-filled cases adopted the idea of guaranteeing the cases to wear a specified number of years. They stamped inside the case "Guaranteed 25 years" or 20 years, or 10 years. Every manufacturer in the business was compelled by competition to do this. The conscientious ones made sure that the guaranty was conservative, that their cases under normal conditions would wear the length of time stated. If a case wore through in less than the time stated, it was replaced without question. Over a long period of years the cases thus returned were few.

The unscrupulous manufacturer, how-

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ever, took all sorts of chances. His time guarantee had no relation to the amount of gold in the case or the length of time it would wear. He would put on whatever his customer asked for. Thus one jobber would get cases stamped "Guaranteed 20 years" when other jobbers were taking precisely the same cases, with the same amount of gold and even out of the same factory run, which were stamped with a five year guaranty.

Trade and public alike suffered, and the honest manufacturers found themselves more and more handicapped by the unfair and fraudulent competition. Although we have a national stamping law, it has been of little use, because to get a conviction under it you have to prove intent to deceive. Four years ago, therefore, the leading manufacturers held a trade practice conference with the Federal Trade Commission, at which it was agreed by all present that the practice of guaranteeing cases had gone so far in deceiving the public that it must be stopped.

Since January 1, 1924, therefore, no cases have been manufactured bearing time guarantees. Some retailers still feel that it is necessary to guarantee cases on their own responsibility, but this is a practice which the manufacturers are trying to discourage.

No sooner had the ruling gone into effect, however, than a new subterfuge was devised by the unscrupulous wing of the industry. Morris L. Ernst of the Jewelers' Board of Trade has pointed out that as soon as a false description has been condemned "a new term is invented which is thought to be within the law and by means of which it is possible to deceive the public." The words "rolled gold" had not previously been applied to watch cases. They were not covered by the new ruling. Watch cases of low quality began to appear on the market with karat stamps, borrowed from the tradition of solid gold; they would read, for example, "14 K rolled gold plate." Technically this marking was truthful, for the gold used in the plate was that of that fineness. Practically it was even more misleading than the former guaranty system. Years of custom had led the public to rely upon the letter K, meaning karat, as a standard of fineness, and it was now being employed to deceive in respect to thickness.

Conference Rules Out Terms

ACCORDINGLY, a few months ago the manufacturers held another trade practice conference with the Federal Trade Commission. Held in New York, this meeting included, as reported in the NATION'S BUSINESS at the time, all of the manufacturers of men's size watch cases and 80 per cent of those making women's size cases.

This meeting drew up resolutions to the effect that neither the word "gold" nor any mark indicating karat fineness can legally appear on any watch case which has less than three one-thousandths of an inch of gold alloy on the outside or less than one one-thousandth of an inch of gold alloy on the inside. If there is less than that thickness of gold alloy, the case can be called "rolled plate." It cannot legally be called "gold" or "rolled-gold" or "gold filled."

Cannot "legally," we say. But the

legality is not one of public law. An autocracy might have issued a fiat to this effect. The familiar method of our own democracy would have been to put a bill through Congress, which might or might not know what it was talking and voting about. The new method of self-governing industry is for the manufacturers to meet and raise their own standards in order to put a curb on the unruly within their own ranks. These resolutions, be it noted, came on the initiative, and supported by the collective and expert knowledge, of the watch case industry itself. They were accepted and approved by the Federal Trade Commission. The manufacturers are bound by honor and by the alertness of competition to live up to them. If any fails to do so, he can be brought before the commission upon complaint.

A definite protection has been thrown round the use of the word "gold" on a watch. A new phase of the education of the consumer has begun, for a criterion has been fixed by which the honest manufacturer can teach him to discriminate. How this works in practice is shown by the following quotation from a current catalog of a trustworthy house which always endeavors to describe its goods with the utmost accuracy:

"Buy only gold-filled watch cases stamped on the inside of the back lid according to the ruling of the United States Federal Trade Commission. Ours are all so stamped."

This is but one industry among the scores that are learning the technic of self-government through trade associations and cooperation with Federal agencies. As Stuart Chase and F. J. Schlink point out in their recent work on standardization, "it is unlikely that the ground which the political state has lost, in its failure to keep pace with the elaboration of industrial values, will ever be completely recovered."

The New Regulation

THESE authors remind us that last year the Federal Trade Commission received the agreements of 861 furniture manufacturers to abide by a code of honest labelling, which had been adopted by a conference of the furniture industry itself. At the other end of business we find the small retail merchants working together to get rid of local abuses. The "puller-in," for example, has long been one of the tragi-comic characters of the shop business. He stands in front of the store to buttonhole customers and ease or force them inside the door. Recently three mercantile associations in New York City decided that they wanted no more pullers-in annoying the shoppers in their vicinity. Accordingly they met and drafted a petition to the aldermen. A city ordinance was necessary to get the result, but the initiative came from the trade in its desire to protect the public upon which its welfare depended.

Business, big or small, is learning wisdom from these accumulating instances. The dishonest or reckless business man who sought to be a law unto himself has little chance to survive. He is being driven out by the determination of business as a whole and through its separate associations, to make laws for its own governance.

What's Wrong With Shorthand

Executives say:—

"If I could only dictate while it's fresh in my mind."

"It's the 'ring and wait' system."

"She can't help me with other things."

"When I'm here alone I'm helpless."

"If she could only take it as fast as I think."

"I'm forced to cut dictation short."

"Out sick, so my letters have to wait."

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James B. Graham

President of the Lycoming Trust Company and a leading citizen of Williamsport, Pa., calls The Dictaphone an indispensable convenience for modern executives



"A great saver of time"

"It is the greatest possible convenience to have at hand," declares James B. Graham, President of the Lycoming Trust Company



Blanche Seward

declares that, if it weren't for The Dictaphone, she never could handle her present positions as Secretary to Mr. Graham and head of a department

What's Wrong With Shorthand

Secretaries say:—

"I'm sure he said that, but . . ."

"Hours wasted while he's in conference."

"No one else can read my notes."

"I'm nothing but a bell-hop."

"These endless notes make me dizzy."

"Those awful waits while he chats over the phone."

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You need only read his testimony to realize how much The Dictaphone can help any executive. A trial (see coupon) will convince even the most skeptical

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Sharp and clear comes this statement of facts from James B. Graham, President of Lycoming Trust Company, Williamsport, Pa., the largest financial institution in Northern Central Pennsylvania. Mr. Graham is Chairman of the Board of Lycoming Manufacturing Company, (makers of Lycoming Motors), of Spencer Heater Company, President of Crescent Refractories Company, (makers of high-grade fire brick), and President of the Williamsport Y. M. C. A.

Directness is characteristic of this forceful man. Too busy to tolerate the cumbersome and old-fashioned, he employs the modern Dictaphone method—and gives credit where due. He continues:

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The Used Car and Scrap Heaps

By RAYMOND H. DIETRICH

THE used car has quietly been developing into one of the real problems of the future for the automobile manufacturer. Its proportions are increasing with the same accumulative growth that characterized the activity and determination of the partisans of the Eighteenth Amendment to make their hobby a part of the Constitution.

The unparalleled prosperity in every line of industry in this country at the present time, the amelioration of living conditions generally and the unabated interest of the buying public in the new types of automobile have concealed the problem of the used car from the view of the manufacturer. In his steady climb to the saturation point with his unlimited output the manufacturer has become less and less aware of the possible boomerang in his unlimited production.

The recent report from the Bureau of Public Roads Department of Agriculture showed that there were 22,001,393 motor vehicles in operation in the United States in 1926. Of this number 19,237,171 were passenger cars. It is no rash estimate to state that by the end of the year 1931, one-third of this number or 6,412,393 motor vehicles, will be standing idle behind a sturdy iron fence in a used car yard. In the conglomerate will be found models of every type of manufactured automobile.

Many Models of Cars

ACCORDING to a recent statement of Albert Reeves, General Manager of the National Automobile Chamber of Commerce—"There are now 620 models of American motor cars at from \$360 to \$9,000 offered to the American public by 43 makers." Practically every dealer of the 52,592 motor vehicle dealers in this country has a leased space in which he exhibits various used types of these 620 models and sells at least two each day of those that have been turned in or exchanged. The used product for sale may vary in degree of use from 1,000 miles to 8,000 miles or, in terms of cash, from the first cash down payment to the fourth monthly payment.

In some used car parks the vehicles for sale are cared for and made attractive in the same manner that the thrifty Japanese in Southern California keep their vegetables watered, fresh and ready for immediate consumption. In other parks the merchandise for sale is given only the attention of a smear of figures with the lowest possible down payment on the sale price as the lure to the passing buyer.

Many workers in lowly positions among the 3,365,000 persons employed directly in the automobile industry have bought in these used car parks a means of conveying them to and from the plant and of giving their families an outing in the country on Sundays and holidays. As their condition improves, these same workers purchase higher priced used cars "to show off" before the college companions of their sons and daughters.

Those in executive and other high sal-

aried positions in the industry eventually turn into these auto boneyards their second and third renewals of well built models. The model that is most attractive is the type of car that is likely to change owners frequently. The model that has little to commend it is doomed to remain unhandled and to begin its disintegration early. The position of this despised model is not unlike that of the unfortunate old maid at the party. The point of all this is that the number of used cars steadily increases.

It seems reasonable to assert that in the course of a period of years the chief menace of the production in quantity of new automobiles will be the used car. The approximation of perfection in the building of the chassis has made the mechanical equipment of the automobile an unquestioned certainty. The scientific progress of paint and lacquer producers has made the refinishing of a used car an inexpensive operation. The improvements in parts and ornamental devices are available to the buyer for a small sum.

Menace of Used Car Competition

WITH these advantages of chassis, paint and improved parts the used car will compare favorably in the congested traffic or on the open highway with the higher priced new car. It is reasonable to suppose that the improvements in the new models will not appear with such rapidity and with such decided changes in design, color and comfort that they will completely overwhelm the owners and drivers of used cars. As long as the used car persists, its numbers will continue to gain on the output total of new cars to such an extent that the manufacturer will be compelled to seek a means of reducing the second rate competition that he has built.

The bachelor who has lived out of a can or from the counter of the delicatessen store may grow impatient with the delay of his new wife in preparing a home cooked meal of fresh foods, but after he has eaten to his limit a daintily prepared, neatly served, tasty dinner, he regrets that he ever carried his evening meal in a bag. Working on this same principle of improvement in living conditions the automobile manufacturers might make a decided change in the industry by announcing to the public on a certain date in the future that all used cars will be withdrawn from the market. Such an announcement would probably be greeted with an outburst of opposition. The average buyer of used cars might grumble for the moment. If it were demonstrated to him, however, that his newest purchase had been in the careless hands of several other masters and that his very reasonable payment for it probably was only a scant sum over the price that the dealer would receive from the junk man for the useful parts in the car, then the buyer of the used car would comprehend that his position in the traffic or on the highway is a perilous one.

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Read this editorial published in June 1st "Forbes" Magazine

How many individuals in your organization use postage stamps? How many have authority to send in requisitions for stamps? What means have you of knowing that every stamp bought is used for the purpose requisitioned? Perhaps all your stamp orders go to one central authority. Even in this case, has that authority a system for checking up so

KEEPING TABS ON POSTAGE STAMPS

as to make sure that no stamps go astray. In large organizations the yearly stamp bill runs into thousands of dollars—in some lines of business into hundreds of thousands of dollars. Surely, therefore, it is businesslike to adopt and carry out an adequate checking system. Moreover, it is inadvisable to place before young employees so easy a means for trifling dishonesty as is imposed upon them when they are called upon to handle stamps loosely. Perhaps the best system of all for sizeable business concerns is to have every letter put through a stamping machine. This eliminates handling of stamps by employees. It also keeps an accurate record of the number of letters mailed daily.

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Saves time, stamps, money. Releases, moistens, cuts off, affixes and counts each stamp at one stroke. (Five operations by hand—one with the Multipost.) Keeps stamps, in rolls, locked in one safe place. Protects them against loss, spoilage, misuse. Centralizes control, displaces loose handling of stamps (money). Clean, sanitary, orderly. Modernizes mailing—pays for itself in any office. Covered by strong guarantee. Representatives in large cities. Mail coupon for free trial, or booklet which reveals the extent of waste in hand stamping.



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sold would never be returned by the purchaser. After reviewing the various possible lines of investment he decided that the candy business offered positive safety for investment. He figured that the purchaser or the receiver of the sweets usually consumed the sweets immediately after the time of purchase. (The percentage of returned candy sold in the United States has yet to reach the total of 5 per cent.) Today he is one of the foremost manufacturers and retailers of assorted candies. The millions that he has acquired from the sale of his promptly consumed candies are earning interest in numerous enterprises.

Is there not in the career of this eminently successful business man an analogy for the automobile manufacturer in the suggestion already brought to his notice in this article? Would not the sweeping removal of used cars from the streets and the highways aid in the solution of the congested traffic problem, give the buyer a better grade of new automobile and assure the manufacturer and the dealer a stabilized price for the new product? Of course there is a definite relationship between the new car and the used car. The power of a manufacturer's product to remain on the road, to keep abreast of the other manufacturer's product on the road or to pass the other manufacturer's product on the road is the best recommendation of a manufacturer's product.

But to see his product in the scrap heaps that dot the roadside or in the public dumps that mar the outskirts of every hamlet and town in the country must be an eye-opener to the manufacturer whose thoughts are for his product's tomorrows not for its yesterdays. Rusting heaps of dismantled automobiles are fast becoming eyesores to refined tourists and to better-roads enthusiasts. Their existence in time will bring upon them the same campaign

of obliteration that made such effective improvements in rural bill-board advertising. These eyesores are constant reminders to the manufacturer and to the buyer of the final resting place that awaits the used car. Isn't there a decided advantage in having candy promptly devoured over having sticky, stringy, half-eaten pieces messing wherever they are left?

As long as the used car serves its purpose of utility, as long as it takes the buyer to his destination and returns him to his home, exercise it to the full extent of its utility. When it has exhausted its utility, withdraw the used car from the traffic and replace it with a product that is an advance over the withdrawn product. Scrap the worn-out car, but scrap it with economy and wisdom. Do the task along the lines of the internationally known manufacturer of moderate priced automobiles who purchased 199 vessels of 813,820 tons for \$1,710,000 from the merchant fleet corporation of an extravagant government. Salvage for replacement purposes and for secondary use the parts of the used car that made it a factor in traffic. Place a proper estimate on the value and utility of the parts according to their period of service and deterioration.

Then put those parts in service where their deterioration will not be likely to cause injury or damage. Make the remaining parts ready for the furnace and reuse in a weakened capacity, or drop them on one of the many junk piles that now cover the bottom of the ocean. This ideal absorption of the used car by the manufacturer through his dealers after the completion of a specified mileage or at the end of a stated number of years, and the disposition of the salvaged parts will give to the manufacturer a sane protection against any drop in price that may arise from a surplus of used cars.

A New Structural Material

NEW STRUCTURAL materials are always important to industry and present excellent examples of the new competition. Some such new materials are developed to meet a peculiar need, an example being an alloy of iron containing more than 15 per cent of chromium, and particularly useful where nitric acid is involved. The improvement of an old process or product sometimes results in a substantially new structural material. This is taking place with the development of improved plating methods, in which familiar metals may be so deposited on an iron or steel base as to remove most of the objections to the customary plates.

It has been found that gases held in the surface of the iron or steel play much mischief in preventing nickel, for example, being deposited in a manner to secure adherence so firm that the plated metal can be worked in ways similar to those applied to ordinary iron, steel, brass, and alloys. Some think that the plated metal conforms to the crystal structure of the base metal and that the gas held between these crystals contributes to peeling and other phenomena characteristic of non-adherent plate.

The new process provides an inexpensive

way of removing this gas, after which deposited metal seems to form a bond best described as an alloy bond with the base metal. Whatever the theoretical explanation, it has been demonstrated that metal so treated, when plated with soft nickel, may be rolled into a tube and the edges butt-soldered, giving a condenser or evaporator tube heavily nicked inside and out, with a coating so perfect as to enable it to stand strong alkalis over a long time.

The mechanical refrigerator manufacturer finds in sheets plated and then formed in dies the best structural material for his refrigerating units so far. Heavy coats of chromium can be put upon such nickel without faulty adherence.

Farmers will be interested to know that wire degasified can then be hot coated with zinc, resulting in a wire for woven fence that will last many times beyond the wire ordinarily found on the farm.

This soft nickel can also be rolled, formed, bent, and otherwise manipulated, the coated metal going with the base metal in a manner that is both surprising and gratifying. The advantages of plating metal before fabrication are important enough to justify the name—a new structural material.

Elliott-Fisher

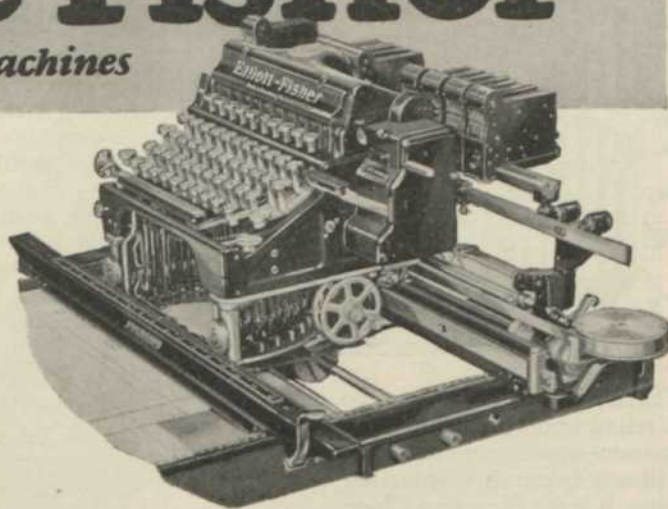
Accounting - Writing Machines

No other accounting-writing machine has the flat writing surface which gives Elliott-Fisher its ability to do several jobs in a single operation.

This feature explains why Elliott-Fisher-equipped accounting departments get so much more work done in far less time and at lower cost.

But accuracy is not sacrificed to speed. Elliott-Fisher is self-checking. And its automatic-electric operation allows the operator to devote all the time to productive work.

We welcome the opportunity to show business men just where Elliott-Fisher can effect actual savings and give them closer control of their business. Ask us to explain these facts to you.



Sundstrand

Adding, Figuring & Bookkeeping Machines — Cash Registers



Sundstrand has definite extra advantages to offer the adding machine buyer.

The logically arranged ten-key keyboard makes Sundstrand faster and more accurate. Columns locate themselves automatically. Mistakes are less likely to occur. Every Sundstrand machine has this valuable feature.

Direct subtraction—which means no complements to figure and every step printed—is as speedy and accurate an operation as ordinary addition. Sundstrand performs direct subtraction by simply touching a key. Touch another key and this machine multiplies by the automatic-shift method.

Add to these features complete visibility, portability and dependable endurance, and you will see how definitely superior Sundstrand machines are. Yet Sundstrand prices are comparatively low. They will be sent on request.

General Office Equipment Corporation

Elliott-Fisher Division

The Elliott-Fisher Division markets Elliott-Fisher Accounting-Writing Machines designed to meet every accounting requirement.

Elliott-Fisher Company has acquired the business and assets of the Sundstrand Corporation.

Products of both companies are marketed by the General Office Equipment

Corporation through its Elliott-Fisher and Sundstrand Divisions.

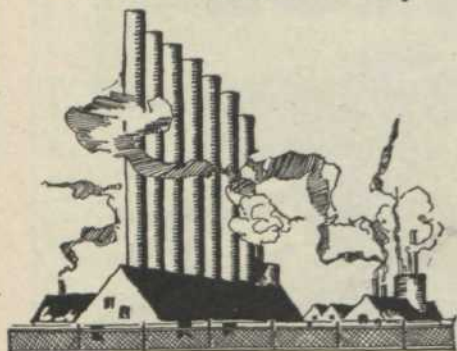
Sales and service offices are maintained by GOEC in the principal cities of the United States and foreign countries.

Sundstrand Division

The Sundstrand Division markets Sundstrand Adding, Subtracting and Bookkeeping Machines and Cash Registers.

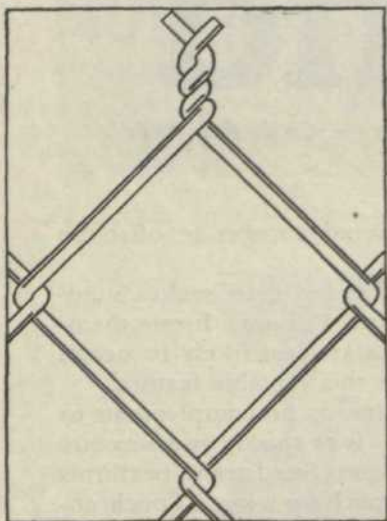
342 MADISON AVENUE, NEW YORK CITY

Insure Your Property This Easy, Economical Way



HERE'S protection that can be relied upon to keep out the trespasser—to stop constant leaks and losses from an unguarded premises. It is the American Chain Link Fence that today is protecting hundreds of industrial properties throughout the United States.

Easily installed, easily and cheaply maintained, American Chain Link Fence gives you perfect protection. The sturdy chain-link, galvanized mesh illustrated below accounts for its long life.



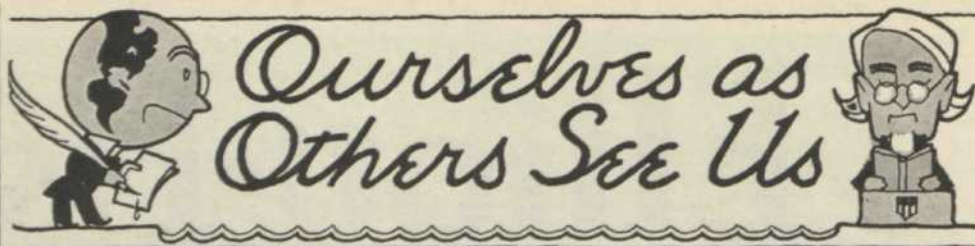
Now is a good time to investigate the benefits of this form of property insurance. Let us show you how economical, dependable American Chain Link Fence can cut down plant maintenance costs for you—how it can give you security that no other protection offers. A letter addressed to our Chicago Office will bring full information. No obligation to you.

AMERICAN WIRE FENCE COMPANY
7 South Dearborn Street Chicago, Illinois
Factory: Libertyville, Ill.

AMERICAN

CHAIN LINK

Manufacturers of Superior Wire Fence for over 25 years



MUCH has been written about the cotton weevil, but the fame of its more destructive cousin the common clothes-moth has remained un-

**There's Little
Choice Between
Two Weevils**

noticed outside the pages of those handy volumes usually presented to young ladies about to wed, thinks the keeper of "A Business Man's Diary," printed in the *Manchester Guardian Commercial*. In America there is a glimmering of concern about the pest, he notes, for

the Better Fabrics League of America has evidently been doing research on the clothes-



moth, for it estimates that the annual loss inflicted on Americans by this insect is \$100,000,000. Commenting on this estimate, a writer in the *Textile World* says that before he accepts it he must be informed whether it was made while women clothed or since they have taken to merely decorating their figures; the average woman's wardrobe, he insists, does not contain enough wool to give sustenance to a single healthy clothes-moth. He has evidently been stimulated by learning of the loss, for he suggests that research might be directed to finding a larva which could be woven into women's clothes and which would only become active after the garments had been worn. If by such means the annual damage could be raised to \$300,000,000 it would do something to balance women's ever lessening textile covering. He must be a bachelor, for otherwise he must have known of fashion moths—the despair of husbands and fathers and the patron saint of charwomen and their daughters—which destroy a whole dress by a mere flick of their wings.

IT IS scarcely a secret that Lancashire's trade in broadcloth with the United States has shrunk in an alarming degree, chiefly because of unfair trading in this country, declares the *Manchester Guardian Commercial*. As the English see the situation:

Immense quantities of the "grey broadcloth" are now being turned out by Ameri-

can manufacturers, and most of this is being passed off on consumers as being of British origin. The bulk of it is certainly not of British origin, and as a result of the poor quality of this "pirated broadcloth," British exporters are being blamed for poor goods.

Our Commercial Secretary in the United States has taken up the case on behalf of manufacturers here and is advocating the adoption of some kind of trademark which would safeguard the British exporter to some degree. There are obstacles to such a step, I understand, but it is very evident that a form of self-protection is needful.

SECRETARY MELLON is "as decent a man as ever stepped and a good friend to this country," declares Sergeant Murphy, the prototype

Now, It Seems of our own Mr. Dooley, There Were Two who regularly discourses Irishmen . . . to his cronie Heddle on topics of the day. In a conversation reported to the *English Review* by A. P. Garland, these two worthies are discussing Mr. Mellon's reply to one of Mr. Churchill's notes on the war debts. Says Sergeant Murphy:

But remember he's a politician, and an American politician has to be wan hundherd per cent. American, meanin' that he knows who his grandfather was on both sides, and wan hundherd per cent. American means wan hundherd per cent. anti-British. So to keep his end up with the pathrotic voter he has, at measured intervals, to put John Bull in his place be a speech or a letter. He means no harm be it. He's just fulfillin' an unpleasant duty, accordin' to the faculties God has given him.

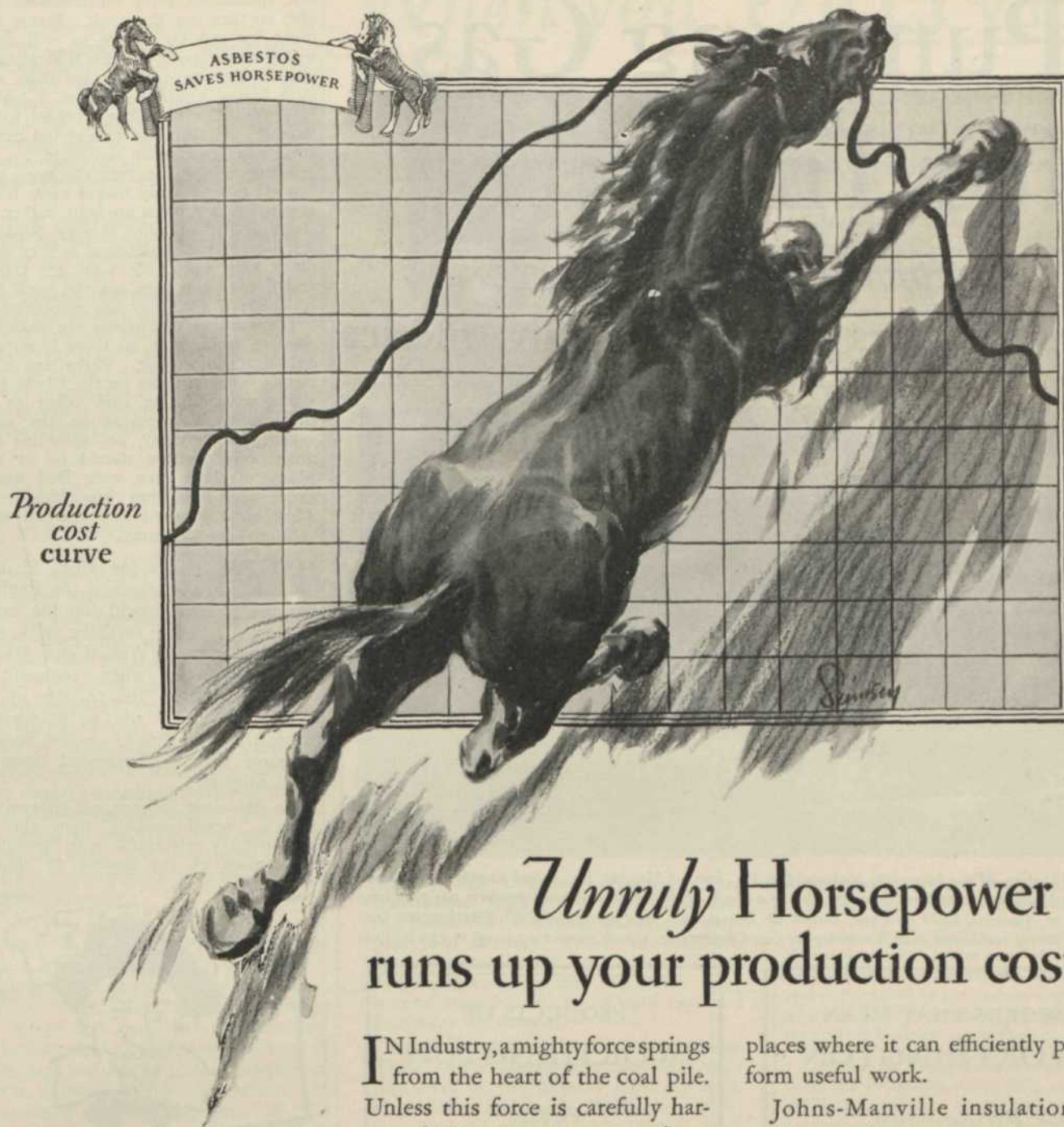
That's why Mither Mellon felt so hurt at the owdacity of Mither Churchill intherferin' in a purely domestic matter.

"Be Heavens!" he says, "if this fellah's goin' to be fussy over a harmless statemint about European debts, life won't be worth livin'. We'll be havin' him shortly askin' us how we wangled the concessions for the Panama Canal, what we're doin' in Haiti and Nicaragua, and other personal questions. It's for us to make insinuations and suggest imperialism and land-grabbin'—not for thim. All we claim is the right to attribute the worst motives to Great Britain on all occasions—and answerin' back."

AMERICA holds her industrial leadership because labor and capital are working together instead of quarreling, declares

"Glaswegian" in a letter printed in the *London Spectator*. From his five years in this country, he reports his im-

pressions with saying—the workers here accept experiments of all kinds without distrust or suspicion. The creation of large combines is not looked upon as a means of crushing the wage-earner; combines are welcomed; the bigger the better,



Unruly Horsepower runs up your production costs

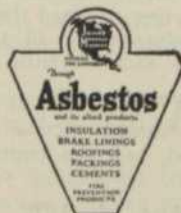
IN Industry, a mighty force springs from the heart of the coal pile. Unless this force is carefully harnessed it becomes rampant and unruly. It breaks away from useful work and escapes from the engines of Industry. Fuel is wasted . . . up goes the cost curve.

To restrain unruly horsepower is the function of Johns-Manville products of Asbestos. They hold it in check, they guide it to the

places where it can efficiently perform useful work.

Johns-Manville insulations, packings, refractory cements, all serve industry and the entire nation by taming unruly horsepower.

Let a Johns-Manville power specialist go over your plant to suggest means by which the products of asbestos can keep your horsepower within the traces and bring down your cost of production.



JOHNS-MANVILLE

SAVES HORSEPOWER

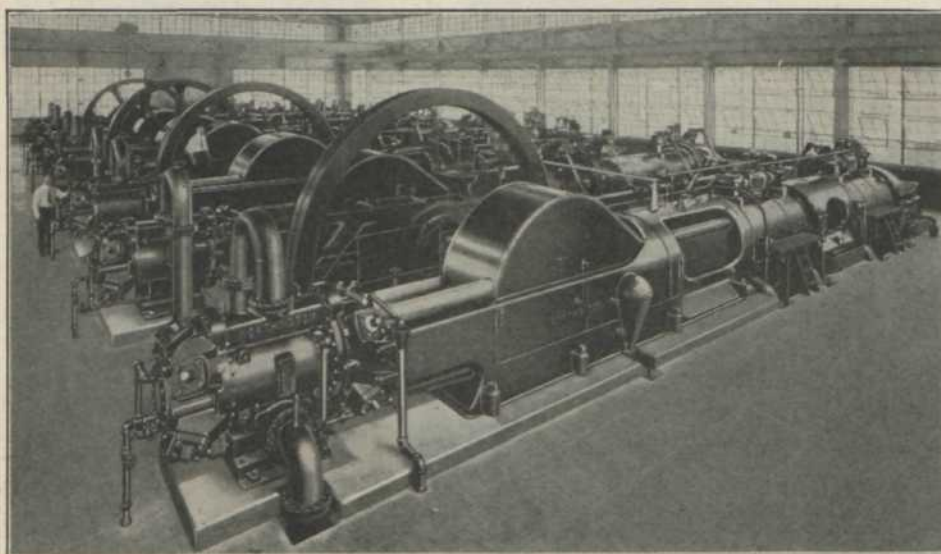
JOHNS-MANVILLE CORP., MADISON AVE., AT 41ST ST., NEW YORK. BRANCHES IN ALL LARGE CITIES. FOR CANADA: CANADIAN JOHN-MANVILLE CO., LTD., TORONTO

When writing to JOHNS-MANVILLE CORP. please mention Nation's Business

Pumping Gas for Industry

Equipment by **WORTHINGTON**

oldest builders of gas engines in America



Desired Station of the Interstate Natural Gas Co., Inc., at Monroe, La., which pumps natural gas from the Monroe field to New Orleans. One of a chain of the finest and most modern gas pumping stations in America, built by Ford, Bacon & Davis, Inc., and equipped with Worthington Gas Engines direct connected with Worthington Gas Compressors which compress gas up to 350 pounds

WORDS THAT MEAN WORTHINGTON

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Trustworthiness
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PUMPS
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Literature on Request

WORTHINGTON



WORTHINGTON PUMP AND MACHINERY CORPORATION
115 BROADWAY, NEW YORK CITY
BRANCH OFFICES IN 24 CITIES

7535-10

When writing to WORTHINGTON PUMP AND MACHINERY CORPORATION please mention Nation's Business

and 5 per cent of labor is organized. The sole qualification for employment is being able to turn out the work. Bonus (or payment by results) works so well from the wage-earners' point of view that when a large concern here gave notice that from a certain date bonus would cease and a higher day rate would be paid, the workers would not have it; yet their day rate would have made their wage practically the same.

A worker who can turn out more than the general run not only makes more bonus but is rated a few cents an hour higher. Interchangeability of labor is very popular. For instance, if one department is very slack, another very busy, the men are transferred, and if they can turn out the work they are retained; if not, they are suspended.

Trade union restrictions are unknown, the right to work rules, so there is no stranglehold on the worker. There are many instances of men (who on the Clyde and elsewhere were fighting each other as well as the employers) working on the same job making good money, yet according to trade union rules neither should be at the job. Many of these men were Red when they came over, but they are "bleached" now. They have constant employment, and it is constant—no ca' canny.

TO THE things for which Shakespeare stands in the minds of the English people an American would add the bard's advertising value, says the

Well, a 24-Sheet *Nation and Athenaeum*,
Would Spread when commenting on
His Plays the throngs of tourists

who go to Stratford to worship at his shrine. A few lines suffice to show that the suggested usage is not good English:

An American idolator, an impresario fresh from a "record-breaking" tour, who went to the birthday celebration, was breathless with indignation at our neglect of Shakespeare



"as an advertising medium." This artless Babbitt is amazed at the way we do not do things over here. He asks why we do not "boost" Shakespeare. The short reply is that we do: we boost him, we orate over him—we do nearly everything with him short of reading him and playing him. "Shakespeare as an advertising medium"—well, that is not the idiom of Stratford, but our critic should not lament for nothing. He is not the first to tread the "holy ground" with the resolute tread of the publicity man. He only shouts a little louder than the rest.

WHETHER it hurts an oyster to be masticated is still a question in England, but the controversy may be nearer settlement for the pres-

And It's Still entation of an American
News When a viewpoint by the *Man-*
Man Bites a Dog *chester Guardian Week-*
ly. In New York, this

journal reports, the question "has been very loftily dealt with" by the secretary

to the American Oyster Growers' and Dealers' Association. To quote:

This authority says that it does not matter whether an oyster minds being bitten or not, because, anyway, it is bad form to bite oysters, which are always swallowed whole by the best people. Still, there is this much to be said for vulgarians—if they do want to chew their oysters, and if they will do it with sufficient lack of outward expression, only the oyster will know what they are about.

And quite apart from the oyster's famous reputation for discretion, the very nature of the offense will ensure that the guilty secret is in good keeping:

You mustn't bite the oyster,
For the action's incorrect,
And if you bite the oyster
You will forfeit its respect;
But the oyster's a secretive beast
And if you bite it well
You're pretty sure of this, at least—
The oyster'll never tell.

Alcohol from Gas

THE SYNTHETIC methanol or wood alcohol which comes to our shores is made from gas derived from coal, and one of the great chemical companies of this country is now producing synthetic pure methanol from the same raw material. There are other sources of the necessary gases, one being the fermentation tanks of a midwest company which manufactures a solvent used in lacquer production. When the corn is fermented by the particular bacterium selected in accordance with the product wanted, a great quantity of hydrogen and carbon-dioxide arises. The company decided to conserve these gases and put them to work, and eventually erected a plant for the synthesis of ammonia from this waste hydrogen.

The carbon dioxide was scrubbed out and wasted in this process, for only the hydrogen was wanted for combination with the nitrogen of the air.

This not only left the waste problem partly solved but produced a commodity somewhat foreign to the usual business of the company and added to the quantity of synthetic anhydrous ammonia which has done so much to drive the price of that article to limits lower than ever before in history.

The ammonia plant was a great success and in fact operated at nearly 100 per cent above rated capacity, but meanwhile for some two years the company had conducted research and was prepared to convert the ammonia plant into a methanol plant, and today we have in this installation the first factory in the world, so far as we know, producing commercially pure synthetic methanol from hydrogen and carbon dioxide, both the waste gases of this fermentation process.

The operations are really commercial, going forward at the rate of 3,000 gallons of product per day.

This affords another testimonial to the earning power of research, another indication of what can be done with waste materials, even gases, and a further accession to the ranks of synthetic chemistry which offers such intensive competition for the old methods.

When you DELIVER



—the time to think
of delivery is when
you write the order.

It is the carbon-copy duplicate of the customer's order or invoice—or in retail business the sales slip—which supplies shipping directions, packing slip, label for the package, receipt of delivery—whatever your kind of business calls for. Therefore, the original form must be made and designed by those familiar with key operations in all types of business.

Delivery is a KEY
Operation.
Protect it! Efficiently!

Rediform

CARBON COPY RECORDS

for Buying ~ Receiving ~ Stockkeeping
Production ~ Selling ~ Shipping ~ Billing
with Rediform Sales and Manifold Books
"Wiz" Autographic Registers ~ Continuous
Interfolded or Continuous Interleaved

FOR THE KEY OPERATIONS OF BUSINESS

Every Key Operation Involves Other Operations. Sales records affect stock-keeping, production, invoicing and billing, shipping and delivery. Every key-operation record affects others in similar fashion. For time-saving, accuracy, efficiency, these original records must be of right type and design for the purpose.

Rediform Records Automatically Serve These Other Operations. To make four duplicates of the original takes no more time than to make two. Rediforms are designed to give you, in one writing of a key operation, automatic notice to all other operations concerned. This is because they include all types of product, and all variations in type, necessary for complete service to the key operations of any business.

Leaders in Developing a Great Business Principle. The history of this company began with the invention of the sales book and is the story of the carbon-copy principle which is today responsible for key-operation control of business by carbon-copy records.

Leaders in Developing Products to Express the Principle. Over 90% of all patented improvements in multiple forms and devices—extending over almost fifty years—are embodied in the advanced and varied line of Rediform products which we offer you in 1927.

Leaders in Developing Products to Express the Principle. Over 90% of all patented improvements in multiple forms and devices—extending over almost fifty years—are embodied in the advanced and varied line of Rediform products which we offer you in 1927.



Rediform Sales Books and Manifold Books

Every type for every purpose—with all the latest improvements, and a service in design that makes any type more efficient.



Rediform "WIZ" Autographic Registers

Note that sides are cut away to show the convenient, easily audited Flatpakit forms, and locked compartment for audit copy.



Rediform Continuous Interfolded and Interleaved

Permit variation in color, weight and quality of different sheets. Rediform Interleaved is interleaved with carbon paper throughout.

For further information, fill out coupon below, attach to business letterhead and mail to

AMERICAN SALES BOOK COMPANY, LIMITED, ELMIRA, N. Y.
Factories: Elmira, N. Y., Niagara Falls, N. Y. Sales and Service Offices in Principal Cities

Have your representative call to discuss the application of Rediform carbon copy records to key operations of my business.

Name _____
Business _____
Position _____
Address _____

Play the SILVER KING*



NO golfer should miss this chance to inject a bit of certainty into a very uncertain game. Play the Silver King! With it you are sure of every yard of distance and all the putting accuracy any man deserves. And you have the big psychological advantage of playing the best ball made.

*Reg. U. S. Pat. Off.



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John Hanamaker

NEW YORK BOSTON PHILADELPHIA
CHICAGO MEMPHIS LOS ANGELES

Wholesale Golf Distributors

Business Views in Review

By ROBERT L. BARNES

"ADVERTISING men sometimes call advertising 'business insurance,' and wonder why men who insure the world against every imaginable catastrophe do not insure their own business against the destructive power of silence." In 1926, in twelve of the leading magazines the total expenditure for advertising insurance was but slightly over a million dollars, while nearly thirty-one millions were spent on advertising motor cars and their accessories, according to Earnest Elmo Calkins, writing in the *Atlantic Monthly* on "Insuring Insurance."

"The question is, what particular need, or urgency, or intrinsic quality makes it profitable to advertise motor cars thirty times as much as insurance is advertised? What has the motor car in the way of interest, desirability, or potential market that insurance does not possess? Measured by human needs and human standards, insurance goes deeper, is more potent to stir our emotions, and has a profounder influence on our destinies. Insurance companies are selling an almost priceless commodity—protection, freedom from worry, peace of mind. . . .

"Why do people stand in line to buy postage stamps or railroad tickets, and let the insurance agent stand in line to sell them insurance they need far more urgently than they ever needed to mail a letter or make a journey? The answer is habit. The insurance companies have elected to do business that way; the public has acquiesced. But habits are the result of education, and the most powerful educator is publicity. Advertising could reverse the situation and give the insurance companies the strategical position of active demand."

Mr. Calkins then goes on to point out that even banks and trust companies are beginning to realize they are human institutions, but that the insurance industry operates under archaic conditions unaware that the world has changed.

"Buick advertising sells Dodges as well as Buicks. The continued interest of the public in cars is more necessary to makers of cars than the demand for any one make of car.

"If there were 'a hundred campaigns as good as Metropolitan Life or Hartford Fire,' insurance would be one of the best known, most interesting and most-talked-about topics of our daily lives.

"The life companies have written eleven million new insurance in the last twelve months, and not one of us a whit wiser or better or more uplifted because of that fact. It all happened off stage. Yet the stories behind that vast gain would move and stir us, did we but know them, as did Lindbergh's flight or the Mississippi flood.

"Insurance runs up and down the whole gamut of human emotions, interwoven with all our hopes and fears, a human service if there ever was one; and the industry as a whole continues to present to its public a face as cold and inscrutable as that of the sphinx."

Newspapers Only One of Users of Telephotography

MOST of us are familiar with the telephotographic pictures that appear from time to time in the daily newspapers, but this use of transmission of pictures by wire is not as important as other commercial uses, according to the *Bell Telephone Quarterly*.

It has been found that the use of telepho-

tography is not limited to pictorial reproduction, but in many cases long messages, typing, and printed matter can be transmitted by wire. Bond and security houses make use of the service in sending out newspaper advertising copy and details of proposed security issues.

"Early last spring a millinery association in New York gave a fashion show. About a dozen pictures of models wearing the new styles were transmitted by wire to eight terminal cities, printed on art paper and delivered to the principal newspapers in the eight cities.

"An interesting development in the millinery trade as a result of this experiment was the demand for flower covered hats. For a number of years there has been very little call for artificial flowers for hat decoration, and this spring, much to the surprise of the trade, calls for flowers suddenly developed throughout the country. Upon investigation it was found that two of the pictures which were transmitted were of flowered hats designed especially for the tea dansant. The impression was gained generally that flowered hats were again in vogue and the immediate demand for flowers is attributed by the millinery people to these pictures.

"The use of telephotographs for the transmission of documents and other matter used in litigation is one which has attracted attention from the very first, but it is only recently that such pictures have been accepted as evidence in court. A case in point is one which was heard in Boston in which a telephotograph of a contract transmitted from Chicago resulted in vacating a temporary injunction and a holdover for another hearing before a permanent injunction could be granted."

Work is being done on a process to make it possible to transmit moving pictures. Newsreel producers are particularly anxious to develop some such process.

Among the other uses to which this service has been put is the transmission of messages in foreign languages, formulae and the transmission of mechanical and architectural drawings.

Efficiency Not Alone the Solution of Farm Problem

WALLACE'S FARMER warns those who see in increased efficiency the solution of the various agricultural problems that the different sections of the country face. An editorial says:

"It is not possible for a man to be a low cost producer all of the time. This is illustrated by hog cost accounting records in Iowa County during the past two years. One of the men who was exceedingly low in his cost two years ago was among the highest this past year, and vice versa. Even the most efficient hog man occasionally suffers severe losses from disease.

"We can all become a lot more efficient, but the chances for increased efficiency are not nearly as great as most people think."

A statement by a professor of agriculture that "a fourth of the people now engaged on American farms could be removed without a noticeable decrease in total crop or livestock production" prompts the *Commonweal* to several remarks.

"If he is right, the drift away from the farms is the result of economic necessity rather than of less tangible social factors and

SPEED!



KALAMAZOO BINDER TRAYS

were especially designed for mechanical accounting and where maximum results are being obtained, you will find "Kalamazoo" is a principal factor in securing the desired speed, ease and safety.

If you are now using or expect to use bookkeeping machines, you will find it advisable to consider carefully the question of equipment.

KALAMAZOO LOOSE LEAF BINDER COMPANY

Factories at Kalamazoo, Mich., and Los Angeles, Calif.

Sales offices in principal cities

EASE!



SAFETY!



COMPACTNESS



KALAMAZOO

LOOSE-LEAF-DEVICES-AND ACCOUNTING-SYSTEMS

When writing to KALAMAZOO LOOSE LEAF BINDER COMPANY please mention Nation's Business



The manufacturer of a well known and widely used product feels keenly the responsibility of consistently meeting the high expectations of his customers

UNION DRAWN STEEL CO. Beaver Falls, Pa.

UNION DRAWN STEELS



has, as a matter of fact, not kept pace with the working out of economic law.

"Much can be said for this point of view, but there are reasons for considering it specious. In the first place, what guarantees the stability of labor is the amount it can get over and above a living wage. This factor would be overwhelmingly in favor of the farms as against the industrial town were it not for the fact that land values have been inflated for purposes of speculation to such an extent that capital invested in them cannot bear fruit in an unrestricted market, and for the added fact that the farm worker must buy in a restricted industrial market.

"If land values were lowered and if the market for manufactured products were not artificially supported, men could work on farms so cheaply that machinery—even now an investment proportionately high in relation to land value—would lose a great part of its significance. But how accomplish these things? Unfortunately, nations seldom think of economic problems in anything excepting economic terms until it is too late. The value of farm life to the average workingman is so obvious that if it were ever realized, government would hasten to safeguard and promote it."

Tariffs or Cartels—Which Lead to Industrial Growth?

THE POLITICO-ECONOMIC question of the day, according to the *Oil, Paint and Drug Reporter*, is to choose the open door with the cartel or the protective tariff with its unavoidable hampering of return trade. The World Economic Conference at Geneva decided on the cartel to promote national industrial development as distinguished from the protective-tariff plan.

"It marked the clash of two opposing ideas in political economy: one more economic than political; the other more political than economic. In view of the conditions which are looked upon as most influential in the delayed revival of industrial activities in Europe, the favoring of the more economic idea was natural."

The possibilities for a manufacturer in the United States to participate in cartels are limited, if not wholly eliminated, by the trade-regulating statutes of the nation. But this fact seems to be little understood in other countries. In fact, cartels are often defended on the grounds that it is necessary for Europe to follow the example of the United States.

"This rather inconsistent view arises from inability to distinguish between a single gigantic industrial organization whose purpose is to reduce costs by means of volume of its production and to acquire a dominant position in the market by reason of quality of its products, and an organization with several units, whose purpose is to make agreements in such matters as volume of production and division of markets, and thus to be in a position to control prices as well.

"If all nations adopted the cartel idea, it might prove effective. If all nations adopted the protective-tariff idea on the basis of a full economic recognition of the advantages each possessed in raw materials, industrial efficiency, and so on, this idea might likewise prove a sovereign remedy for developing industry. But with some nations on one side and some on the other, and the possibility of converting all to unanimity on either side rather remote, the search for a way out of the difficulties which beset European industry and materially affect industry in the United States is still a long way from success.

"Trade barriers as a general means of industrial development are not accepted as

advantageous by all economists in the United States. A prominent chemist recently declared emphatically that export and import duties are not real factors in the permanent development of chemical industry. In his opinion the course of international commerce, in the long run, will be determined by economic factors, and artificial barriers can do little except to furnish temporary annoyance."

However, the emergence of international agreements is not so arresting a fact as it first seems according to an article by D. H. MacGregor, professor of political economy at Oxford, writing in *Chemical Markets*.

"But they offer the difficult problem that, in the national markets, they imply a practically monopolist organization. Otherwise, they would not be able to make terms. Direct capitalist expansion over the world's market does not in itself imply this. This has the following consequences:

"First, that producers in countries which forbid monopolist organization at home will not be able safely or openly to enter into such agreements. The United States, therefore, may be a seriously disturbing factor to the stability of agreements, since it only allows such organization for the purpose of advancing the interests of its own export trade.

"The law in other important countries is such as to make the position insecure, unless the government has implicitly sanctioned the agreement. Where agreements are thus semi-official, they may be upset if good diplomatic relations do not continue between the governments, i. e., if there are outstanding possibilities of friction, and especially bearing closely on economic relations.

"Secondly, that monopolist organization is itself not easy to maintain, and if it is seriously broken the conditions which made the international agreement acceptable at home are themselves altered.

"Thirdly, any country which is free trade or low-tariff in policy may be acquiescent in monopolistic organization in important industries, while it relies on import to check monopolist policy. Some forms of international agreement, and especially the typical form, which gives to the national producers the monopoly of their home markets, are in such cases a reversal by private arrangements of national policy, so that such agreements (which at present escape notice) may be greatly endangered by publicity."

Multi-car Families Burden

Retail Merchant Further

WITH 2,700,000 families in this country now owning two or more cars, it looks as though the motor industry's answer—namely, the multi-car family—to the possibility of overproduction is being realized. But what will be the effect? *Dry Goods Economist* discusses the problem from the angle of the retail merchant:

"Chief of the new problems will be the immense accentuation of traffic congestion which will be inevitable. The mileage covered by the two Smith cars will not be twice that of the single car now owned, but the Smith mileage will be considerably increased. Add even 10 per cent to the number of cars on the road and without some form of relief, not now in sight, city traffic and parking conditions will be intolerable.

"Millions of dollars in business are brought to store doors by motor. Will the additional 10 per cent of automobiles bring that much more trade, or will the difficulties of car movement and car parking be so accentuated that a falling off in automobile trade will be the result?

"Will it be necessary or advisable to in-

WHEN POWERS HANDLES YOUR INVENTORY



TAG No. 25127		Machine Shop - B		LOCAL B4C2		Total 374.75	
MODEL	ST	Part No.	782	Lot No.	25	Machine No.	62
QUANTITY	1	QUANTITY	1	QUANTITY	1	QUANTITY	1
PRICE	178.2	PRICE	178.2	PRICE	178.2	PRICE	178.2
TOTAL	178.2	TOTAL	178.2	TOTAL	178.2	TOTAL	178.2
NAME AND DESCRIPTION OF PART OR ASSEMBLY				NAME AND DESCRIPTION OF PART OR ASSEMBLY			
Lower Shaft Bushing				Lower Shaft Bushing			
Mach. by -				Mach. by -			
COUNTED BY ABC				COUNTED BY ABC			
CHECKED BY L				CHECKED BY L			
DATE 12/21/27				DATE 12/21/27			

These holes indicate

499 Part No. 782, Lot No. 25 at Machine No. 62

On December 31st—Value \$374.25

And the complete inventory for the yearly final statements is ready in hours—instead of weeks.

Powers cards punched from the counter's notations on the very cards themselves are basic records. Used with Powers Mechanical Accounting Equipment they produce automatically in classified and printed form the complete inventory tabulations. And every tag is accounted for.

But this is only one of their possibilities. The Production De-

partment verifies its schedules from this immediate and vital information. Tax and insurance data is available by simply resorting and tabulating by locations and values.

And further, a dependable and positive material control system is created only through this type of analysis of raw materials, work in process, and finished parts and products. Let us send you a bulletin on this important subject now, so that you will be ready when the end of the year arrives.

ADAPTATIONS

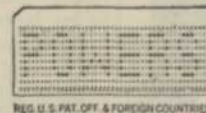
Powers equipment is in general use wherever such work as this is done:

General Accounting—Payroll and Labor Distribution—Material and Stores Record—Sales and Profits Analyses—Insurance Accounting and Statistics—Public Utilities Accounting—Census and other Vital Statistics—Traffic and Transportation Accounting—Chain Store Sales and Inventories—Federal, State and Municipal Accounting

POWERS ACCOUNTING MACHINE CORPORATION

Division of Remington Rand, Incorporated

374 Broadway, New York City



POWERS

ACCOUNTING MACHINES

POWERS PRINTS NAMES AND WORDS AS WELL AS FIGURES

When writing to POWERS ACCOUNTING MACHINE CORPORATION please mention Nation's Business



but that's
only one side
of the tag~

THE other side told the prospect what the article was, who made it, what it did and how much it cost. The salesman might have told all that, but he was quite busy and somewhat inattentive, so the customer read the *Denney Advertag* and used her own judgment.

Write Your Own Message

Manufacturers can thus tell the prospective customers direct of the special merits of their products rather than depend altogether upon a retail store salesman to tell a story of which he knows little or nothing.

Attach the coupon to your letterhead and get complete information

DENNEY TAGS
WEST CHESTER, PA.

THE DENNEY TAG COMPANY
14-16 W. Second St., West Chester, Pa.
Kindly send without obligation on my part the items checked below:
☐ Booklet "How to Buy Tags Right"
☐ Samples of Distinctive Tags
☐ Quotations on Enclosed Tags
Name _____ Street _____ City _____ N.B. Sept. _____

crease customer garage facilities near the store? To establish parking grounds in less congested areas? To build branch stores away from the crowded district which will serve the automobile trade, leaving the main store for the pedestrians and customers traveling by public transit systems?

"Will the several millions of cars added to those now in use affect to a still greater degree lines of business which, it is claimed, have suffered because of the automobile's changing our mode of life—such lines as gloves, shoes, umbrellas, rubbers, veils?"

Should Inter-Allied Debts
Be Cancelled or Collected?

IN CURRENT HISTORY there is a discussion of whether or not the inter-allied war debts should be cancelled. In an article seeking to justify the collection by America of money loaned to the various allies, Conrad C. Lesley says:

"Lack of space alone compels the omission of numerous examples showing that the Allies have money for other purposes, though countless pleas are advanced that payment of their war debts to us, even according to the generous agreement schedules, will work untold hardships on their people. The French naval program of 1923, in this era of the reduction of armaments, called for ninety new warships, . . . reduction of the discount rate by the Bank of France in two months' time from 7½ per cent to 5½ per cent are typical examples. . . . Great Britain could apparently afford to conduct a billion dollar coal and general strike last year, export hundreds of millions for investment in foreign countries and dependencies and at the same time reduce the discount rate of the Bank of England, while greatly increasing that institution's reserves. . . . These facts do not sound like penury."

The other side of the argument is stated in the *Century* by Charles L. Guy, who argues in part:

"Suppose tomorrow the City of New York were destroyed by fire and earthquake, with a consequent loss of billions of dollars, resulting in the insolvency of all insurance companies. Would it not be an utter absurdity to insist that every man must ultimately pay every dollar he owes, and, if he fails to do so, the burden should descend on the shoulders of his children, his grandchildren and great-grandchildren?"

"The only sane plan would be to abandon all such talk and reorganize the community on a basis that would make future commerce and future municipal development possible. Every bankruptcy and insolvency law, state and national, recognizes this principle. Every enlightened business man recognizes it.

Let Europe Go Into Bankruptcy?

"EVEN were the debts of the Allies of a wholly commercial character, it would be a wise economic policy to settle them for a relatively small amount and to restore the debtors to a position where they might be useful members of the community of nations. Such a course would ultimately bring to us larger benefits than would the collection, through a long series of years, of the entire amount with interest; even were such collection possible. As a matter of fact these so-called debts are not collectible in a large sense. The effort is not unlike an attempt to convert stage money into cash.

"The fact is, and we might as well face it now intelligently, no one of the nations is going to pay the principal of its so-called foreign war debts in full, to say nothing of the interest."

A policy that more Americans are interested in, though, is what to do with the Treasury surplus. It comes down to "Cut Taxes, Pay Debts, or Spend?" *Dry Goods Economist*, in discussing the surplus, advocates "pay debts" in these words:

Suggests We Pay Our Own Debts

"WE doubt seriously the wisdom of departing from the Treasury's policy of paying off our war debt as fast as possible, using for this purpose our surplus. The bigger the surplus the faster our obligations are reduced. The bigger the tax cut the smaller the surplus and the more slowly the debt comes down. It has been argued with some show of plausibility that tax cuts in former years have contributed to building up our surpluses and so have been instrumental in aiding debt reduction. Accepting this at full value, still it is obvious that the same process cannot be repeated indefinitely. . . .

"We all hate to think there ever will be lean years. But no one can doubt there will be times when the national surplus will be considerably smaller than it is now. Against that day we should make every effort to ease the burden of our war debt."

Legislation No Answer—

Where There's a Will

THE PASSAGE of a law in Pennsylvania requiring all owners of retail drug stores to be registered pharmacists caused the *Retail Ledger* to point out that "Legislation Is Not the Answer" to chain-store competition. Writing that there are eight states considering anti-chain measures, the paper gives an instance of "a strange legislative abortion" in Maryland, which has passed a law that applies to but one county in the state imposing a tax of \$500 per store on chains and limiting the number of stores to be operated in the county to five. The editorial goes on to say:

Cure Is in Stores; Not Laws

"EVEN apart from the fact that legislation of this kind is almost certain to be declared discriminatory and unconstitutional, agitation for artificial assistance by independent retailers is sure to center public attention on the chain-store situation, thus making chain-store claims of economy more alluring than usual.

"If independently owned stores must have the protection of high licenses and high taxes for their competitors, then these competitors must be doing a better job," will be the natural conclusion, while, as a matter of fact, there is no reason why the store that is efficiently and economically handled has anything to fear from the chains.

"Legislation is not the answer to the menace of the chain stores' any more than it was the answer to the competition afforded by the mail-order houses and the canvassers."

But that business does face its own problems and solve them is shown in the Armour Grain Company case, of which the *Prairie Farmer* writes:

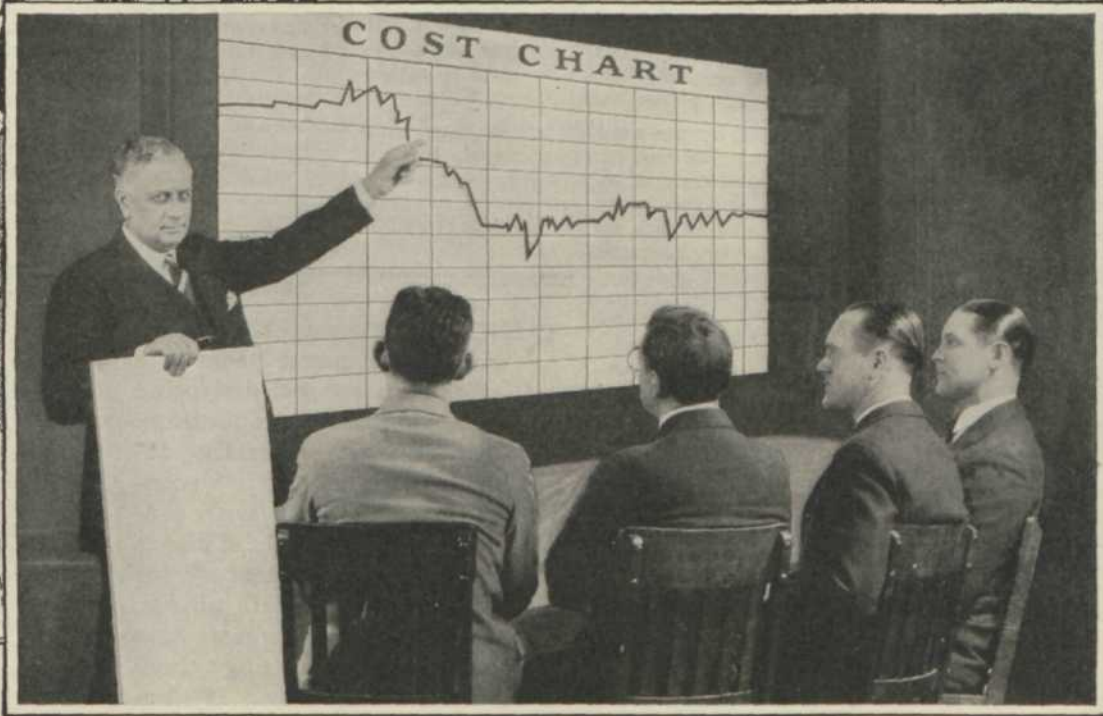
"The directors of the Chicago Board of Trade are to be congratulated for their expulsion of George Thompson and two-year suspension of John Kellogg of the Armour Grain Company for 'dishonest conduct.'"

"This action is in refreshing contrast to the whitewash given the Armour officials by the Illinois legislative committee. This committee, operating in a glare of publicity, apparently discovered nothing that had not already been in the newspapers.

"Any business can regulate itself more efficiently than a governmental commission can regulate it, once it has the desire to do so."

Lower Manufacturing costs with

PANELIZED TIMBER



THE Cornell Wood Products Company—a pioneer in the wood board industry—has developed, and now announces to American manufacturers, a new and superior product. It is Cornell Industrial Panelized Timber.

Panelized Timber is hardy northern timber converted into big, clean, rigid panels up to 4 feet wide and up to 16 feet long—without the disadvantages of joints as in solid or veneered lumber or without knots, rot, checks, shakes, stains, pitch pockets or other defects so common to industrial lumbers.

Every inch of Cornell's Panelized Timber may be used. It is uniform in all its physical properties. It saws and works easier. It will not split in nailing, sawing, cutting or handling. It is easily cut into irregular shapes and easily fitted around mouldings, bolts, etc.

We are prepared to furnish Panelized Timber in a range of sizes, thicknesses, weights, strengths, densities, hardness, toughness,

finishes and colors—or combinations of these properties—to meet practically any industrial requirement. And the cost is only a fraction of the cost of industrial lumbers.

Samples and Experimental Work Free

The remarkable adaptability of Cornell's Panelized Timber makes it impossible to list the many uses to which this remarkable product may be put—or to suggest the scope of the savings it is capable of effecting. It may be exactly suited to your manufacturing or shipping requirements. You can easily find out. Write for samples and details on how our experimental and research departments are prepared to co-operate with large users of panel lumber, insulating, sound deadening or vibration absorbing materials. Your inquiry is invited and will, of course, incur no obligation whatsoever.

A Few of the Many Uses for PANELIZED TIMBER

Furniture Panels and Drawers
Screen Panels
Cloth or Leather Covered Panels
Sheet Metal Bound Panels
Containers
Deadening and Insulating Panels
Vibration Absorber (as under Fans or Motors)
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Toy Manufacturing • Backing Panels
Bolt Cores • Table Tops
Posters • Displays • Backgrounds
Theatrical Settings • Photo Mounts
Under Floors or Floor Coverings
Etc.—Etc.—Etc.

CORNELL WOOD PRODUCTS CO.
190 North State Street
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Cornell

INDUSTRIAL
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When writing to CORNELL WOOD PRODUCTS CO. please mention Nation's Business

News of Organized Business

BY ROBERT L. BARNES

A VIGOROUS attack was made at the National Foreign Trade Convention on the Sherman Anti-Trust Law by C. C. Martin of the National Paper and Type Co., who declared that the European cartels and mergers, free from legal restraints, were taking every day more aggressive steps to divide the markets of the world among them.

Faced by the need of paying large sums of loan interest and principal to the United States, of supporting colossal war debts and recovering lost foreign markets, European nations are marshalling every resource to increase production and energize their foreign trade.

In consequence, every week brings its list of cartels and mergers formed in a single country or between related industries of different countries, and there is rapidly being constructed a solid wall for the protection of home industry and division of foreign markets among the different members of the combines. The new alignment of foreign interests offers a serious problem for our foreign trade.

Business men of this country are seriously handicapped both at home and abroad, by provisions of the Sherman and other laws absolutely forbidding agreements that restrict competition or lead to any form of price regulation. Most important and necessary cooperation in trade and industry is impossible, and business is heavily penalized. Even our export trade act confers only relative freedom in cooperating for export trade.

Conditions imperatively demand that our anti-trust laws be amended so that business regulation may be an administrative function, and so that trade today need not conform to rigid laws passed nearly forty years ago when methods and practices were utterly unlike those now prevailing.

In a speech before the National Association of Credit Men, O. H. Cheney, vice-president of the American Exchange Irving Trust Company, took a different view in discussing this same subject. He said, in part:

I do not believe we can stop this great economic trend (the formation of cartels) by calling it names and by waving the Stars and Stripes. We will be able to meet the so-called foreign monopolies only by economic organization based on intelligent and sound principles, the soundest of which is cooperation. I do not mean that we should countenance any international conspiracy to monopolize the vital resources of the world and profiteer on the consumer.

But I do believe that the only way in

which this most fundamental of all the problems of the new cooperation can be solved is by first looking at it on a world scale. So far we have very few men in this country or abroad who have the vision and the objective calm which is needed.

The trouble with the tired business man in the last five years has been that he is balloon tired. This easy prosperity has given men a false sense of security and kept them from realizing the seriousness of some of their merchandising problems.

The American business man, on the average, is probably the most efficient in the world. And yet, when we see the high percentage of business failures, when we watch the soaring cost of distribution, and are disturbed by still too frequent strikes, we realize how much there is to be done.

Sometimes it seems as if the average business man is an early Arctic explorer going out into the unknown ice floes in a small wooden boat, with a few months' supply of canned beef, an uncertain compass, a flag and a lot of hope.

Trade Lexicography

FORMATION of a Council of Trade Relations Committees of the grocery and allied industries to work for the correction of trade abuses throughout the food industry has been reported to the Domestic Distribution Department by Frank Bristley, member of the National Chamber's Trade Relations Committee.

Individual trade relations committees will seek out and eliminate trade abuses and unethical practices in the various branches of the industry. Problems concerning the industry as a whole will be brought before the Council.

* * *

Taking a leaf out of a discarded notebook of the brewers and distillers, President C. C. Ferber of the Pennsylvania Ice Producers' Association suggests that ice producers give consumers refrigerators, just as brewers used to furnish bar fixtures practically free. President Ferber made this suggestion at the annual convention of his association, pointing out that "as a matter of good business, most of the stores now selling refrigerators should never have been allowed to control the sale of this connecting link with the public. Prices usually charged by them have helped to make ice a luxury and to keep it out of the 'necessity' class." Quoting further from his speech as reported in *Ice and Refrigeration*:

The continued success of the ice industry in the future now depends on creating new markets, in getting people to use ice who have never used it before. . . . There are thousands of dollars now being spent by the ice men for hit or miss advertising



How Spray-Painting Lowers Your Maintenance Costs!

It is the difference of painting by hand and painting by machine. The machine method is 4 to 5 times faster, requires less man power, and does not stop production while repainting is going on. The machine method of painting also does a better job. The force of the spray does more than cover the surface; it penetrates cracks, crevices on rough and splintered surfaces—it gets all corners evenly—it leaves no brush marks. And the Binks Spray Gun can handle any painting material a brush can.

Pays For Itself In What It Saves

Any factory or institution of fair size can pay for the cost of a Binks Portable Spray-Painting outfit in one painting, then have the equipment for all future use. It will show a return on the investment that will surprise you. Our engineering department will gladly supply you detailed information on your particular painting needs. Address:

BINKS
SPRAY EQUIPMENT
COMPANY

Dept. J, 3128 Carroll Avenue
Chicago, Ill.

Offices in Principal Cities

Thirteen *Unseen* Workers for Every Man on Industry's Payroll

How well you use this "man power" of motors depends on your choice of motor control

The facts about electric power in industry are startling, when stated in figures easily understood. 29,000,000 horsepower, the working capacity of industry's motors! To realize it would take 13 times all the men in industry today, working steadily at top capacity, to provide this effort, gives a true picture of the importance of Motor Control!

Electric Motors put into your plant an *unseen* army of workers that outnumbers many times, the names on your payroll. They provide an *unseen* army that races to tasks with the speed of light—an army capable of superhuman achievements—an army which never sleeps, yet never tires.

Realize, too, that you merely put this *unseen* army at their posts of duty when you install motors. What they do for you on each job is decided once and for all when you choose Motor Control. Correctly chosen, it puts their full capacity at command of your machine operators. It saves time and speeds production.

Ask now for a survey of all your motor drives. The efficiency of the major part of your plant's man power will be revealed. In the purchase of new machinery in which motor and control are furnished by the machine builder, insist on C-H Control. The C-H trade-mark on ALL your Motor Control is your best assurance of efficient, dependable production.

Cutler-Hammer engineers are ready to co-operate with your plant men or consulting engineers in making a survey of your plant to see that Motor Control is correctly chosen for every drive. More than 30 years' experience supports their recommendations, and this service entails no obligation or expense on your part.

The CUTLER-HAMMER Mfg. Co.

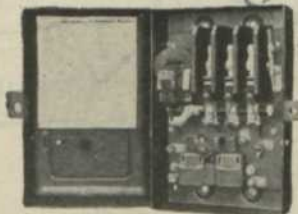
Pioneer Manufacturers of Electric Control Apparatus
1251 St. Paul Avenue • • Milwaukee, Wisconsin



This booklet, "Industry's Electrical Progress" is based on the field reports of Cutler-Hammer engineers. Stories of savings every man in industry can enjoy reading! Write for your copy. Sent without charge or obligation.

Report 1006 — A pneumatic conveyor system used in a large plant for passing material from stock rooms to various assembly departments required a continuous input of 90 h. p. Cutler-Hammer engineers recommended the installation of C-H Automatic Variable Speed Control.

The speed of the blower, thereby, is now automatically adjusted to the number of conveying tubes in use. The motor is stopped entirely when all tubes are closed and restarts automatically as soon as one or more are opened. The average power consumption was thus reduced from 90 h. p. to 16 h. p. — a saving of 80%.



For the more common motor applications, Cutler-Hammer engineers offer a standardized line of Motor Control apparatus. An example of such apparatus is the C-H 9586 A. C. Automatic Starter, illustrated — one of the series of C-H "Across-the-Line" or "X" Starters. These provide for push button starting and stopping of motors and are fully enclosed for safety. They protect motors against dangerous overloads, but are so designed that production is not halted by momentary current surges. These starters are great time, power, and equipment savers and find scores of uses in any plant. Four pages in the C-H Catalog tell your plant men how, when, and where they should be used.

Thirteen times the
Man Power of Industry
hidden away in Electric Motors

The electric motors of industry today, totaling about 29,000,000 horsepower, represent the working capacity of 246,500,000 men or 13 times that of the 18,673,000 workerson industry's payroll.

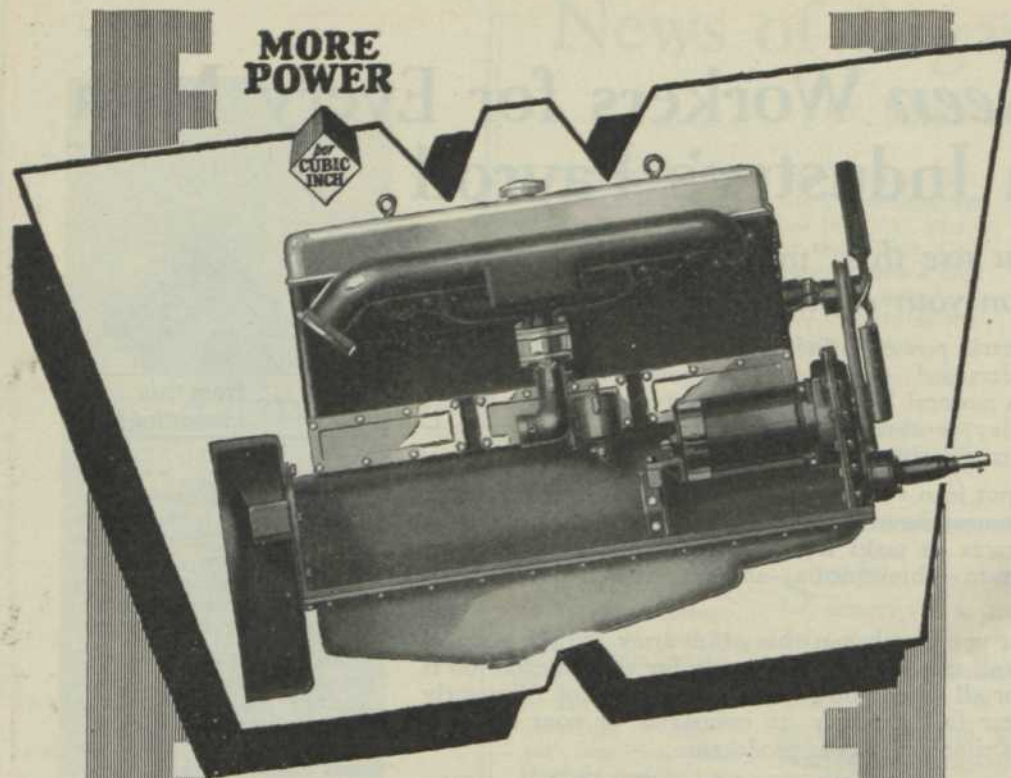
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CUTLER-HAMMER

Industrial Efficiency Depends on Electrical Control

**MORE
POWER**

per
CUBIC
INCH



Owners' Cost Sheets Show

Wisconsin Motors have won their spurs in truck, tractor, bus and industrial installations. In each exacting service owners' costs show a definite saving per operating day.

A one-season record might easily be accidental, but the year-after-year consistency of Wisconsin's superior performance is conclusive.

Steady refinement of the high-efficiency, basically right, overhead-valve principle has had the inevitable result—more work from fuel and oil, more ease (and less need) of repair, more power per cubic inch.

Write for the facts that prove it.

WISCONSIN MOTOR MFG. CO.
Milwaukee, Wisconsin

Wisconsin Motors are manufactured in a full line of Sixes and Fours with a power range of 20 to 120 H. P., for trucks, busses, tractors and construction machinery.

Wisconsin
CONSISTENT



that could be more profitably spent in carrying out what is now suggested.

"Dreams sometimes come true—even beyond the visions of the dreams," according to *Iron Age* in an editorial reviewing the growth of the American Society for Testing Materials. "In 1902 a small group of men—dreamers, some called them—started an organization which today ranks among the highest in engineering accomplishment and prestige. It recently celebrated its twenty-fifth anniversary."

It started with a membership of 175; today it has more than 4,200 members. It started with only a few standing committees; today it has close to 50, which have prepared nearly 500 standard and tentative specifications for industries dealing with materials for engineering. The society has made a place for itself "as a great conservator of resources and an economizer of human energy" by these contributions to raising quality and lengthening the life of materials for construction.

The editorial gives high praise to the work of Dr. Charles B. Dudley, president of the society from 1902 to 1909; and to Prof. Edgar Marburg, secretary up to 1918. "Both men have had worthy successors, but to these two engineering is peculiarly indebted for broadening the society's service to American industry far beyond the largest hopes of the founders."

Bankers! Quo Vadis?

IT IS entirely possible that with the constantly changing economic conditions a real competitor of banking may grow up unless bankers grasp more fully their opportunities and satisfy the dictates and desires of the public, according to C. H. Handerson of the Union Trust Company of Cleveland in a speech before a meeting of the Financial Advertisers' Association. To quote Mr. Handerson's speech in part:

Obviously the function of financial advertising is to reflect truly our institutions and their services to the public.

I say "reflect," because advertising cannot create. It can only reflect.

I say "reflect truly," because, unless advertising reflects truly, the public will be

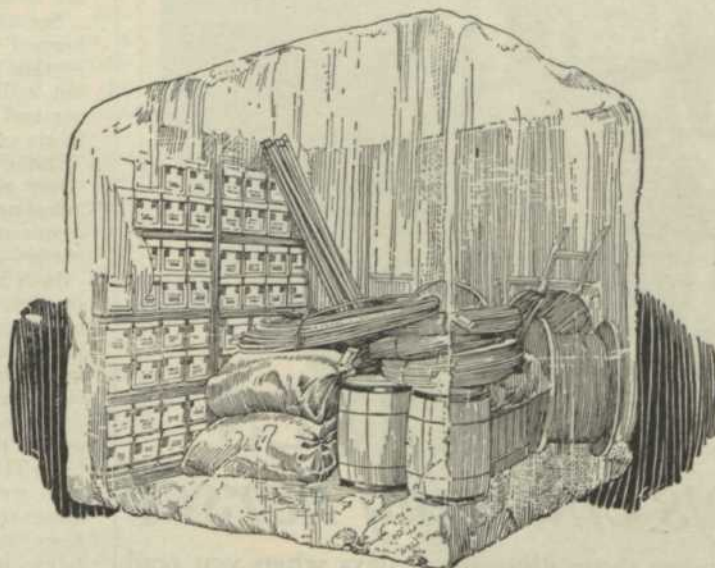


the first to sense the insincerity and it will become a dangerous tool, creating ill will instead of good will.

Banking is awakening to the fact that it lacks something, but as yet it is not quite articulate as to this lack. It feels a void but is not cognizant of what will properly fill this void.

Ten years ago or a little more, they tried to fill this void with advertising but found that advertising alone was only a partial antidote for that emptiness. Now banking is looking through or beyond advertising, since the wise banker has realized that advertising in itself is not a complete suit of the clothes of successful distribution. It requires in addition the coat and vest of merchandising and selling.

Industry went through the same paroxysms of doubt regarding advertising and



Frozen Assets that distribution can liquefy

THE 1927 manufacturer or retailer would find it irksome to operate under conditions of a generation ago, when much capital had to be kept frozen in supply stocks.

Necessity is the mother of invention—business needed productive capital without sacrificing availability of stocks—and hence the distributor found a vocation as essential as that of producing or retailing, and has ever since kept developing his functions and broadening his service.

Distribution applies the well-known principle of the division of labor, which modern industry has

found more effective than the old jack of all trades idea. Let the shoemaker stick to his last and you will get a better shoe.

In this country more than any other the growth of distribution permits manufacturer and retailer to devote themselves entirely to acquiring skill in their specialties, confident that the functions of credit and warehousing will be supplied as required by an organization equally skilled in those specialties.

* * * *

Graybar specializes in the distribution of everything electrical—and has been perfecting its service for 58 years.





IN SOME FACTORIES *they are always changing horses*

Tramrail Stocks in the Following Cities

ALBANY
93 State Street
BIRMINGHAM
2028 First Avenue
BOSTON
44 Bromfield Street
BUFFALO
240 Sanders Road
CHICAGO
565 Washington Blvd.
CINCINNATI
701 Union Central Bldg.
DENVER
1226 E. 17th Avenue
DETROIT
149 E. Larned Street
LOS ANGELES
430 E. Third Street
LOUISVILLE
513 Columbia Building
NEW YORK
50 Church Street
PHILADELPHIA
2401 Chestnut Street
PITTSBURGH
412 House Building
SAN FRANCISCO
16 California Street
ST. LOUIS
11th & Locust Streets
ST. PAUL
516 Endicott Building
SYRACUSE
404 So. Clinton Street
TOLEDO
2401 Georgetown Street

Remember those dime novel days when you read how the grizzled stagecoach driver changed horses at every camp! The time they lost in unhitching and hitching up again was unavoidable then.

But tremendous sums are wasted in our American factories because the same old-fashioned stagecoach methods are still being used. Raw materials are pushed and pulled to machines, picked up, put down, changed from one conveyor to another at every turn.

The Cleveland Tramrail is the one system that can be completely fitted to the manufacturing processes in foundries, textile mills, paper mills, automobile plants and other industries—it handles material through all of the manufacturing processes. The handling system becomes a part of the production machinery itself, so that all of the delay and cost of stagecoaching through the plant can be saved.

Let a Tramrail Engineer "fit moving to the making" in your plant—a post card or letter will bring this assistance without cost or obligation.

CLEVELAND ELECTRIC TRAMRAIL DIVISION
The Cleveland Crane & Engineering Co., Wickliffe, Ohio



What was formerly one of the most expensive handling jobs in the entire manufacturing process at this large paper mill has now become a simple overhead Tramrail task. Two Tramrail carriers pick up 700 lb. bales of paper as fast as they can be unloaded from cars to the platform. This one system places all kinds of bales upon their proper pile in the warehouse and recovers them for use in the beater room as they are required for manufacturing.



finally discovered what banking is now discovering, namely, that advertising is only one link in the chain which connects the public with the product—the other links are merchandising and selling.

Successful industrial advertisers long ago learned that advertising is not a self-supporting, self-contained or unattached entity, but rather is it a golden thread supporting and supported by the balance of the fabric of organization, product and service.

But our relatively remote and comparatively secure position by no means eliminates us from the necessity of taking full cognizance of the tendency—and of the power—of public undertow.

It is not beyond the bounds of possibility that with the readjustment of the economic machine we may find a real competitor of banking. Such a competitor can be immediately eliminated by taking a fuller grasp of the opportunity and by redesigning our services or our "package" to satisfy the dictates and desires of the public. This done, we at one stroke eliminate possible competition and endear ourselves to the public, thus knitting ourselves more strongly than ever before into the fabric of national and individual acceptance and popularity.

We advertising men are in on the "ground floor." If we are cognizant of our responsibilities we will be students of public tendencies and trends. The potency of the public cannot be ignored. The public and no one else has created vast changes in mechanics, in distribution. Its whims, within ten years, have upset our entire system of distribution. Your wife and my wife, you and I, multiplied 110 million times, are making a bloodless but a very real economic revolution.

Serving the Foreign Born

THE Staten Island Chamber of Commerce, 57 Bay Street, St. George, New York City, has organized a department, in charge of a competent paid director, for the purpose of giving service to the foreign-born in industries and communities on Staten Island. A previous survey demonstrated the need and value of such work, we are informed, as there are in excess of 37,000 for-



eign-born on the island, with a large percentage of illiterates. The secretary writes:

Without exception the industries affiliated with the Chamber have expressed an interest and willingness to cooperate. The work of the new department will consist of classes in English for foreigners, classes in civics to prepare for naturalization and citizenship, aid in securing citizenship papers, education and welfare work in communities, and the promotion of safety, thrift, hygiene and better home life among the foreign-born. The director of the new

department is well known both in this country and abroad for his educational and welfare activities on behalf of the foreign-born of all nationalities.

Paying Employees by Check

AN INVESTIGATION of the check system of paying employees has shown it to be meeting with general approval, according to a pamphlet recently issued by the Department of Manufacture of the National Chamber.

Payment by check has certain advantages over the payment of wages in cash, and, with minor exceptions, no objection is made to it by wage-earners themselves. One of the chief considerations for the adoption of this system has been the safety of employees handling payrolls, as well as the safety of the money itself.

Various types of the check system in use by the large concerns are analyzed, together with the steps taken and the difficulties encountered in installing them. Experience has disclosed that, in addition to other advantages, the check system has had the effect of encouraging employees to open bank accounts.

Copies of this pamphlet may be obtained upon request from the Department of Manufacture of the National Chamber.

Light on the Dark Continent

SOMEONE has said that the county is the dark continent in American political life. Be that as it may, the Youngstown, Ohio, Chamber of Commerce has entered this field in a very illuminating and constructive way, as a result of the report of the sub-committee of its Special Tax Committee upon the County Budget of Mahoning County. This study is the first one which has ever been given to the finances of this county as a whole. It is the first budget ever prepared in this form by the county, under the provisions of the state budget law.

Coming Business Conventions

(From Information Available August 1, 1927)

Date	City	Organization
September		
1.....	Chicago.....	National Association of the Fur Industry.
5.....	Atlantic City.....	Cycle Parts and Accessories Association.
6.....	New York.....	American Manufacturers Association.
8-9.....	Atlanta.....	National Association of Office Appliance Manufacturers.
8-10.....	New York.....	International Association of Electrotypes.
12-16.....	Santa Cruz, Calif.....	Pacific Coast Gas Association.
13-17.....	New York.....	United Typothetae of America.
12-15.....	Denver.....	Mortgage Bankers Association of America.
13-16.....	Chicago.....	Railway Equipment Manufacturers Association.
14.....	New York.....	Council of American Shipbuilders, Inc.
14-16.....	Indianapolis.....	American Independent Lenders Association.
15-16.....	Jacksonville.....	Southern Nurserymen's Association.
15-17.....	Victoria, B. C.....	Pacific Trade Council.
19-21.....	Cincinnati.....	National Board of Steam Navigation.
19-22.....	Chicago.....	Advertising Specialty Association.
19-23.....	Detroit.....	American Society for Steel Treating.
19-23.....	Cleveland.....	Associated Machine Tool Dealers.
19-23.....	Cleveland.....	National Machine Tool Builders Association.
19-23.....	Kansas City, Mo.....	National Association of Retail Druggists.
20-21.....	Del Monte, Calif.....	American Institute of Accountants.
21.....	Buffalo.....	National Wood Chemical Association.
Wk. of 25th.....	Atlantic City.....	National Wholesale Druggists Association.
Wk. of 25th.....	New York.....	Association of North American Directory Publishers.
26-30.....	Chicago.....	National Safety Council.
26-30.....	Buffalo.....	National Restaurant Association.
26-30.....	Chicago.....	American Bakers Association.
27-29.....	Washington.....	National Chain Store Grocers Association.
27-30.....	Milwaukee.....	American National Retail Jewelers Association.
28-30.....	Pittsburgh, Pa.....	American Society of Certified Public Accountants.

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On the Business Bookshelf

Real Letters in Business, by Frank W. Dignan. LaSalle Extension University, Chicago, 1927. \$2.

"The business textbooks of twenty years ago contain 'model letters' that are as polished and glittering as icebergs and have about as much human warmth." This sentence strikes the key-note of the book. Mr. Dignan stresses brevity and clearness.

A well-written letter is so clear that "the meaning bounces off the page."

The stilted form of expression which the author calls "business lingo" receives bitter criticism. "Beg to advise that your favor is at hand" is really neither so simple nor beautiful as "your letter came today." There is a sort of florid elegance about the first form, but it has not the terseness of the second, which is valuable where time is money.

In reference to "business lingo" the author says: "This fantastic, stilted jargon, never used in talk or anywhere except in letters, became fixed on business centuries ago, and to this day many excellent people believe that a letter is not a business letter without it. It costs us thousands of dollars a year; it makes business correspondence a burden to writer and reader; it clogs the wheels of trade."

A vital point in the comparison of "business lingo" and simple speech is economy—for both writer and reader. A letter in the style he advocates became 65 per cent longer when rewritten in "business lingo." Considering the time needed to read and write letters in busy offices, it is easily seen that the economic saving is immense without considering the advantage of having a letter sufficiently short for the recipient to read.

Mr. Dignan has done a very good work in a field where there is plenty of room for improvement. The worst criticism of his book is that there is not more of it.

Business Books: 1920-1926. The H. W. Wilson Company, New York, 1927.

Under the direction of John Cotton Dana of the Newark, N. J., Public Library, several directories of business books have been compiled.

This, the latest, is nominally a supplement to "2,400 Business Books and Guide to Business Literature" which was published in 1920. The 1920 edition has presumably about 2,400 titles. Paradoxical as it may seem, the "supplement" has 2,600 items. "Actually the proportionate growth is greater than these figures indicate, for, while periodicals are included in the 1920 edition, they do not appear in the supplement."

What will the next seven years bring in business literature? Consider cost accounting, of which we have heard so much in recent years. Comparing the space given in the two directories, we see that cost accounting literature for the last seven years was almost 135 per cent of the same branch of writing for the many years previous to 1920.

And cost accounting is hardly an exception to the general average, for the space in the supplement is 133 per cent of that in the 1920 edition. True, the titles entered have not increased so much, but the periodicals, which are a major part of business literature, have been omitted in the supplement.

What is to be made of this great increase in literature devoted to business? A better understanding of business, surely; but also, if the principles of business are published so widely, can unethical practices of other days still permeate the world of trade? If publicity of balance sheets helps business, as

Professor Ripley contends, does not publicity also of business principles help business ethics?

A Nation Plan, by Cyrus Kehr. Oxford University Press, American Branch, New York, 1926. \$5.00.

From city planning we have progressed to regional planning. In one or two states a definite beginning has been made of state planning. Mr. Kehr goes far beyond this and discusses, under four parts and many subdivisions, "The Achievements to Be Expected from a Nation Plan, Factors in the Nation Plan, Planning the National Capital, and World Planning." The volume is illustrated with many maps and photographs. It contains two Forewords, one by Frederic A. Delano, who says: "Mr. Kehr's book ought to be of real value in causing people to think on and study the problem in its broader aspects, and this should obviously be the preliminary to any intelligent action." Mr. Unwin says: "America may well show the way, for the greater the nation the more pressing must be the need for foresight and planning."

Business Control Through Analysis. Ernst & Ernst, 1927. Free on request.

"Accounting in any business can be developed, in an economical and practical way, to a point where expenditures are based on sound standards, where every dollar is intelligently spent for a cause and readily measured for its effect as a contribution toward the accomplishment of the aims of business."

Accounting records are stressed in this booklet on budget making. For instance "advertising expense" might loosely include "entertainment," donations or cost of printing employee leaflets; by closer definition it should include only advertising in the narrower sense and even that distributed between the different lines of goods advertised.

The Conquest of the Air—An Historical Survey, by C. L. M. Brown. Oxford University Press, American Branch, New York, 1927. \$1.

The author reviews the history of aeronautics from Leonardo Da Vinci and other pioneers of the Middle Ages down to the present. It includes balloons and gliders. He reviews briefly the unsuccessful inventors and devotes a chapter to Wilbur and Orville Wright.

In the aeronautical industry, the future seems more full than the past. Mr. Brown's opinion touches on the economy of flight and must needs be more interesting as flight becomes more and more commercial.

"Wilbur Wright died in 1912. He had lived to see the aeroplane recognized and accepted as a competent vehicle of flight throughout the civilized world. . . . Yet he was not entirely satisfied. To the end he felt that the glider was the essential factor in heavier-than-air flight. His imagination was continually haunted by recollections of the soaring birds that can maintain themselves in the air for such long periods without any expenditure of energy; it seemed to him that, if only man could wrest this secret from the soaring birds, it would be possible to construct a machine capable of sustained flight by virtue of its aerodynamic efficiency alone.

"Whether this hope will ever be realized cannot as yet be hazarded. . . . The energies of aeronautical science were for a long period chiefly directed to building aeroplanes

It reduces costs through increasing wages!

Anyone can reduce costs by decreasing wages. This done, the net results are discontent, high labor turnover, and, in the end, decreased purchasing power

THE really practical way to reduce costs is to do so by increasing wages. That is what the Bedaux Principle of Human Power Measurement has done in 135 plants in virtually every field of industry.

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Cameras
Canning (Milk, Meat, Vegetables and Fruit)
Cans, Metal
Cans, Paper
Car Dumpers

Cases (Jewelry and Optical)
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Check Protectors
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Fittings
Foundry
Furniture
Garden Implements
Gears and Transmissions
Glass

I-Beam Trolleys
Kitchen Cabinets
Knit Goods
Lamps
Leather
Lenses
Linoleum
Locomotive Cranes
(Steam, Electric and Gas)
Loose Leaf Binders and Books
Machine Tools
Mechanical Rubber
Metal Sash
Motors (Electric)
Optical Goods
Packing (Cattle, Hogs, Sheep and Calves)

Paper
Paper Boxes (Cigarette, Candy and Drug)
Pencils
Photographic Supplies
Plumbing Supplies
Printing (Books, Sales Books and Checks)
Provisions (Cooked Meats, Fruits and Vegetables)
Rayon
Razors and Blades
Rubber (Tires, Belting, Moulded Goods, Boots, Shoes, etc., Reclaiming)
Rugs

Sewing Machines
Shoe Welting
Shoes (Rubber)
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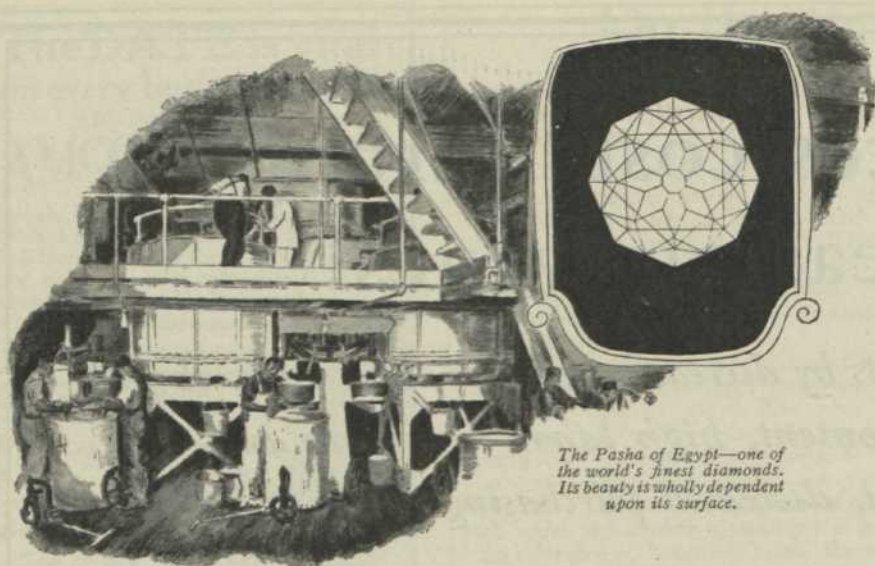


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"Doing Export Business"

A new guide book for the exporter

For the manufacturer or merchant looking overseas for new markets, a comprehensive 64-page booklet, "Doing Export Business," has been prepared by the Foreign Commerce Department of the United States Chamber of Commerce. This publication is being distributed at cost, 15 cents a copy.

You will find much of value to you in each of the five chapters of "Doing Export Business":—I. "Surveying the Export Field;" II. "Establishing the Export Department;" III. "Promoting Foreign Sales;" IV. "Filling Export Orders;" V. "Miscellaneous Considerations." It contains also explanation of a number of foreign trade terms, a brief bibliography and an index.

FOREIGN COMMERCE DEPARTMENT
U. S. Chamber of Commerce, Washington, D. C.

capable of carrying powerful engines and withstanding the increased strains and stresses that they entailed; and not to improving their intrinsic aerodynamic efficiency. . . . It is only in recent years that the opposite tendency has been manifested in attempts to design aeroplanes capable of flight with a much reduced engine power. This healthy policy promises well, for such machines must depend much more on their intrinsic airworthiness than do the large machines that are driven through the air by the sheer force of immense horsepower. Those in whose hands the future of the aeroplane as a flying vehicle rests will do wisely never to forget the beliefs and the methods of Lilienthal, Pilcher, and the Wrights."

Our Runaway Rivers—Put Them to Work. Jones & Laughlin Steel Corporation, Pittsburgh, Pa. 1927.

This booklet is an interesting presentation of the situation of the government barge line and various private carriers on the Mississippi and its tributaries.

The authors of the booklet believe that the old picturesque packet boat is coming back. "New packet boats have been built, old steamers reconditioned, and all things point to a permanent revival of packet business on western waterways under modern methods and direction."

If the projects now proposed "are all completed, the United States will have an inland waterway system for low cost transportation of freight that will be more than 9,000 miles in extent—a system greater than possible in any other country in the world and which, properly coordinated with the great national system of railways, will be of untold benefit to the people of this nation in lowering costs of distribution upon articles of trade and commerce in daily use."

RECENT BOOKS RECEIVED

Chickens and Vegetables, Incorporated, by Samuel Emery. D. Appleton and Company, 1926.

The Cost of Living in Foreign Countries. National Industrial Conference Board, Inc., New York, 1927. \$3.50.

Editorial Silence—The Third Era in Journalism, by Robert T. Morris. The Stratford Company, Boston, Mass., 1927. \$2.50.

Federal and State Laws Relating to Weights and Measures. Miscellaneous Publication No. 20. Bureau of Standards, Department of Commerce. 1926. \$2.30.

Foremanship, by Glenn L. Gardiner. A. W. Shaw Company, Chicago and New York, 1927. \$6.

The Department of Justice of the United States, by Albert Langeluttig. The Johns Hopkins Press, Baltimore, Maryland. \$3.

Harmony Between Labor and Capital, by Oscar Newfang. G. P. Putnam's Sons, New York, 1927. \$2.

The Principles of Bond Investment, by Lawrence Chamberlain and George W. Edwards. Henry Holt and Company, New York, 1927. \$7.50. Revised and enlarged edition.

Wages in the United States, 1914-1926. National Industrial Conference Board, Inc., New York, 1927. \$2.50.

Workers' Health and Safety: a Statistical Program, by Robert Morse Woodbury. The Macmillan Company, New York, 1927. \$2.50.

Government Aids to Business

Reports of government tests, investigations and researches included in this department are available (for purchase or free distribution) only when a definite statement to that effect is made. When publications are obtainable the title or serial number, the source, and the purchase price are included in the item. We will be glad to furnish them to our readers at the price the Government charges.

A NEW PUBLICATION intended to aid in the conscription of other woods to take the place of the rapidly diminishing "old guard" of

paper making—spruce, fir, and hemlock—is the Department of Agriculture Bulletin 1485-D, "The Suitability of American Woods for Paper Pulp."

The desirability of finding species to supplement the waning supplies of spruce, brought forcibly to public attention by the severe shortage of materials experienced by the paper industry in 1919, has been further emphasized by the large number of eastern mills that are facing eventual shutdown because of lack of raw materials, and by the relative immobility of paper mills generally. At present the spruces, firs, and hemlocks are drawn upon for 77 per cent of the wood consumed by the paper industry, spruce alone contributing 55 per cent.

Copies of this bulletin may be procured from the Department of Agriculture, Washington, D. C., at 20 cents a copy.

THE BUREAU OF STANDARDS has recently published a compilation of all the laws on weights and measures of the states, insular possessions, territories,

Compilation of Weights and Measures Laws and of the Federal Government. A comprehensive subject index makes the compilation most

useful and convenient for reference. It is the only publication in its field and has been compiled so as to present the law as it now exists. Miscellaneous Publication No. 20 contains 976 pages and is now for sale by the Superintendent of Documents, Government Printing Office, Washington, D. C., at \$2.30 a copy.

A NEW TEST FOR WATCHES, to be known as the Business Precision Test, has been arranged and report forms are being printed.

This test is intended especially for small-size, commercial watches which ordinarily do not meet the requirements of the Railroad Precision Test. This test will last fifteen days and will consist of a determination of the daily rates of the watch in three positions and at three temperatures. The fee will be \$2.50 a watch. Further information may be obtained from the Bureau of Standards, Washington, D. C.

ALL THE BRANCHES of the cooperative movement except agricultural organizations have been studied by the Bureau of Labor Statistics. The results

Cooperative (not of the study of cooperative Agriculture) Movement Studied credit, housing, and workers' productive societies have been published in Bulletin No. 437.

The total cooperative membership may be placed at over 700,000 and the cooperative business in excess of \$300,000,000. The value of the cooperative store is usually judged by

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and all other necessary records for initial business transactions. Check the uses for which you desire better records—write your name below, clip this memorandum to your letter and mail.

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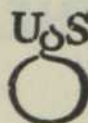
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the savings it is able to make for its members, though its influence as a check upon local prices should also be considered in any appraisal of the movement. The store societies had an average profit on sales of 3.9 per cent.

Both the credit and housing societies are filling a real need, though their service cannot be measured in terms of money. The main benefit of the credit organizations lies not in the returns made to depositors and stockholders but in the savings effected for the borrower through the lower rates of interest on loans and through the lifting of the burden of debt from the borrower. During 1925 the credit societies reporting to the bureau made loans of more than \$20,000,000.

The housing societies are, with one exception, concentrated in New York City. The dwellings provided are noteworthy not only for the relatively small cost, but also for the saving on upkeep, and most of the members express great satisfaction with the cooperative plan. The organizations studied have provided living quarters for 1,805 families and control property valued at more than \$4,000,000.

Further information may be obtained from the Bureau of Labor Statistics, Washington, D. C.

"KEEN COMPETITION, a constantly declining price level, and capacity to run ahead of consumption are three forces now attacking profits in various lines of

New Economics of Business and Simplification manufacturing," according to the Bureau of Standards. "With these conditions a matter of common discussion among business men, the time was never more favorable for the application of simplified practice and allied waste-elimination measures recommended by the Hoover Committee on 'waste in industry.'"

Among the projects that the Division of Simplified Practice has under consideration are hospital plumbing fixtures, range boilers and expansion tanks, vitreous china plumbing fixtures, hospital, hotel and institutional linen, surveying instruments, heating and cooking appliances, new billet steel for concrete reinforcement, ornamental iron and bronze products, foundry equipment, wiring devices and packing of carriage, machine and lag bolts.

If further information be desired on any of these subjects or on the work of the Division, on request the editor of *Government Aids to Business* will be glad to put the writer in touch with the proper officials.

MANY MANUFACTURERS, industrial experts, engineers, purchasing agents, and libraries have found the new Standards Yearbook issued by the Bureau of

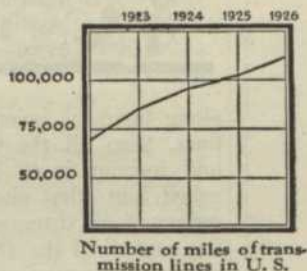
Two Yearbooks Published by Government Standards useful. Suggestions and criticisms of the Yearbook are invited as it is the first one ever issued by the Bureau. Those interested may obtain a copy for one dollar from the Superintendent of Documents, Government Printing Office, Washington, D. C.

The Yearbook of Agriculture for 1926 is now being distributed by the United States Department of Agriculture. In this volume progress in agricultural science and practice is covered in numerous short articles alphabetically arranged and covering a wide field of information. It also contains Secretary Jardine's annual report and statistical data. Persons not on the list of the Department of Agriculture or who cannot procure a copy from a Representative in Congress can procure the Yearbook from the Government Printing Office.

10 times across the continent

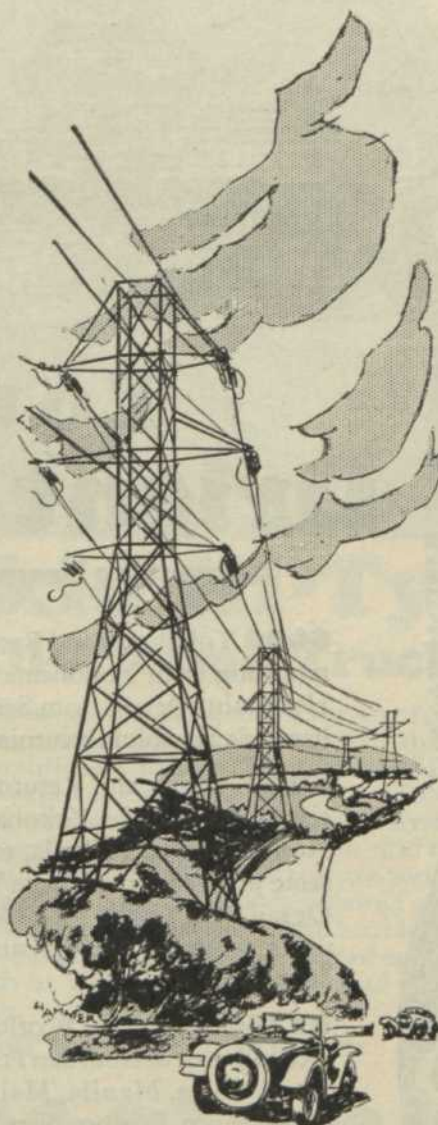
IN 1923, light and power companies had constructed 86,000 miles of transmission wires. In 1926, this mileage had reached the 112,000 mark — an increase of 26,000 miles. In straight lines instead of circuits, these new wires would reach 10 times across the United States.

Long-distance transmission of electric power is just getting under way. Soon large-scale super-power projects will link the country with a network of high-tension wires. It will not be long before a switch in Chicago will supply current for motors in New Orleans.



Added mileage means added business. Remoteness from power sources today forces many industrial plants to do without electricity or to maintain their own generating plants. The electrification of America's six million farms has been deterred by the distance between powerhouse and homestead. With new wires, the electric light and power companies are rapidly reaching new markets.

WESTINGHOUSE ELECTRIC & MFG. COMPANY
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Westinghouse manufactures circuit-breakers, lightning arresters, insulators, transformers and other transmission equipment. New miles of wire mean the use of more Westinghouse apparatus.

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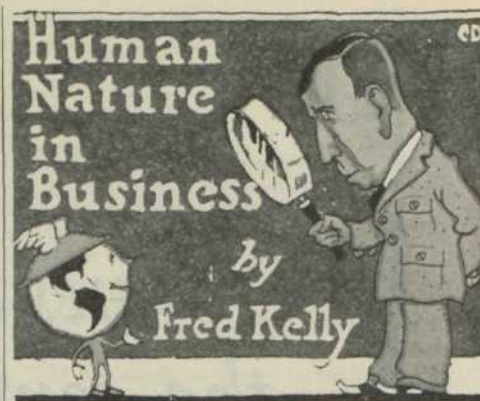
A Dollar Liner sails every week from Los Angeles and San Francisco for the Orient and Round the World; every two weeks from Boston and New York for the Orient via Havana, Panama and California; every two weeks from Naples, Genoa and Marseilles for Boston and New York.

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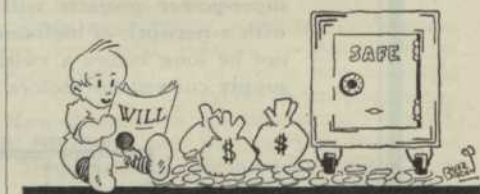
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"FEW BUSINESS men are consistent," says the trust officer of a big bank. "A successful man came to us to seek advice about drawing a will. He had strong convictions that inherited money is likely to do more harm than good and therefore provided that his three sons should have nothing until after they had demonstrated capacity for achievement on their own hook. If his sons failed to make good



along financial, scientific, artistic, or other lines, then all the money, both principal and income, is to be held in trust. We asked him what should be done with the money if all three sons died without gaining control of it. Oh, he said, just let the law take its course and distribute the money among his sons' natural heirs. Imagine that. He's afraid to trust his own sons with money but is willing to let it go to his grandchildren, yet unborn!"

I HAVE just been looking over the names of several hundred business corporations listed on the New York Stock Exchange, trying to figure out what kind of name is most likely to belong to a successful enterprise.

Numerically conspicuous are those companies which bear the name of a man, probably the founder of the business—Chrysler, Fleischmann, Hudson, Nash, Marland, Westinghouse, Packard, Schulte, DuPont, Eastman, Kayser, Dodge, Jordan, Reynolds, Woolworth—a long list.

It is worth thinking about that in these days of keen competition among automobile manufacturers, and gradual elimination of weaker companies by bankruptcies and consolidations, many of those that have endured bear the name of a man who believed in the car in the beginning and was willing to give it his name. I wonder if it isn't significant that successful companies, whether making automobiles or operating stores, so often carry a man's name. If a man were about to start a get-rich-quick scheme that he didn't really believe in, he probably would invent a pompous name for it but would not attach his own name. But when a man names his company or his product after himself, his enterprise is

likely to be on the level and he works to give it a start in life, just as he tries his best to give every opportunity to his own children. Surely a company has just that much more chance of success when it starts out in life backed by the faith of its father.

AMONG successful companies which have shown annual earnings of a million dollars or more and have met other requirements of the New York Stock Exchange, is a considerable number whose names begin with American, National, or United States. This, of course, isn't surprising. Of thousands of new companies launched every year, such names are likely to suggest themselves first off. But when a man names his new concern the United States Rat Trap Corporation, American Bird and Bee Company, or National Pants Pressing Bureau, it is quite likely that somebody else has picked the same name ahead of him. Probably nearly every obvious use of American, National and United States, for corporation names, has been tried long ago. Indeed, unless you selected such a name years back, it probably isn't available. Hence, if you have that type of firm or corporation name it usually means that you have been in business a long while. You have had plenty of time and opportunity for going bankrupt. But if you're still on the boards, you must have merit. It is simply a question of survival of the fittest, many have started, but only a few can finish.

There's something in a name after all!

"NOTHING responds more quickly to the morals of a community," remarks a real estate man, "than land values. If you doubt this, just let somebody start a gambling house or speak-easy next to a good piece of allotment or residential property that you own and then try to sell your property."

A FRIEND of mine has for a year been conducting a birthday column in a weekly publication. He has gathered a long list of birth dates of prominent men, and each week the paper features a short sketch of one of these on his birthday. Out of 80 men asked for material for such sketches only three men refused. Even notoriously grouchy men spoke softly and agreeably over the telephone when asked for a photo-



graph. One man eighty years old bought 500 copies of the paper and mailed them all over the world. Two other men who had been lifelong partners, and most successful, had a genuine falling out because by chance one of them was thus "written up" and the other wasn't.

A COMPANY which operates penny-in-slot weighing machines at railway stations and elsewhere greatly increased their



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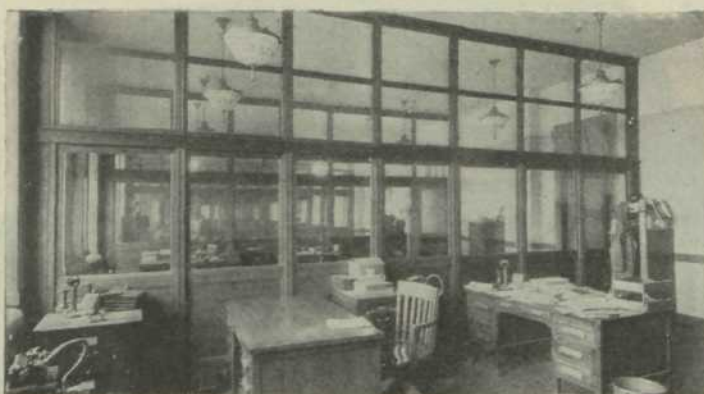
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revenue by using machines which print one's weight on a little ticket instead of showing it on a big dial. It seems that many persons are sensitive about their weight, whether too thin or too fat, and do not like to have the figures shown within full sight of bystanders.

A MOTION picture theater helps to sell candy in a nearby store, for young couples often sit and munch candy while viewing the films. But it also hurts somewhat the sale of cheaper candies, for small boys who used to save their pennies for sweets, spend them to see the pictures.

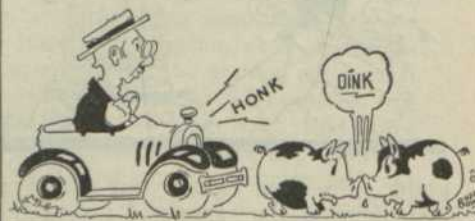
A FINANCIAL company slowly headed for the rocks could not be saved because two heads of the business could not readjust their methods of living to unfavorable conditions. One man went to his partner, who had most at stake in the concern financially, and said: "Something must be done. Expenses must be cut; fewer



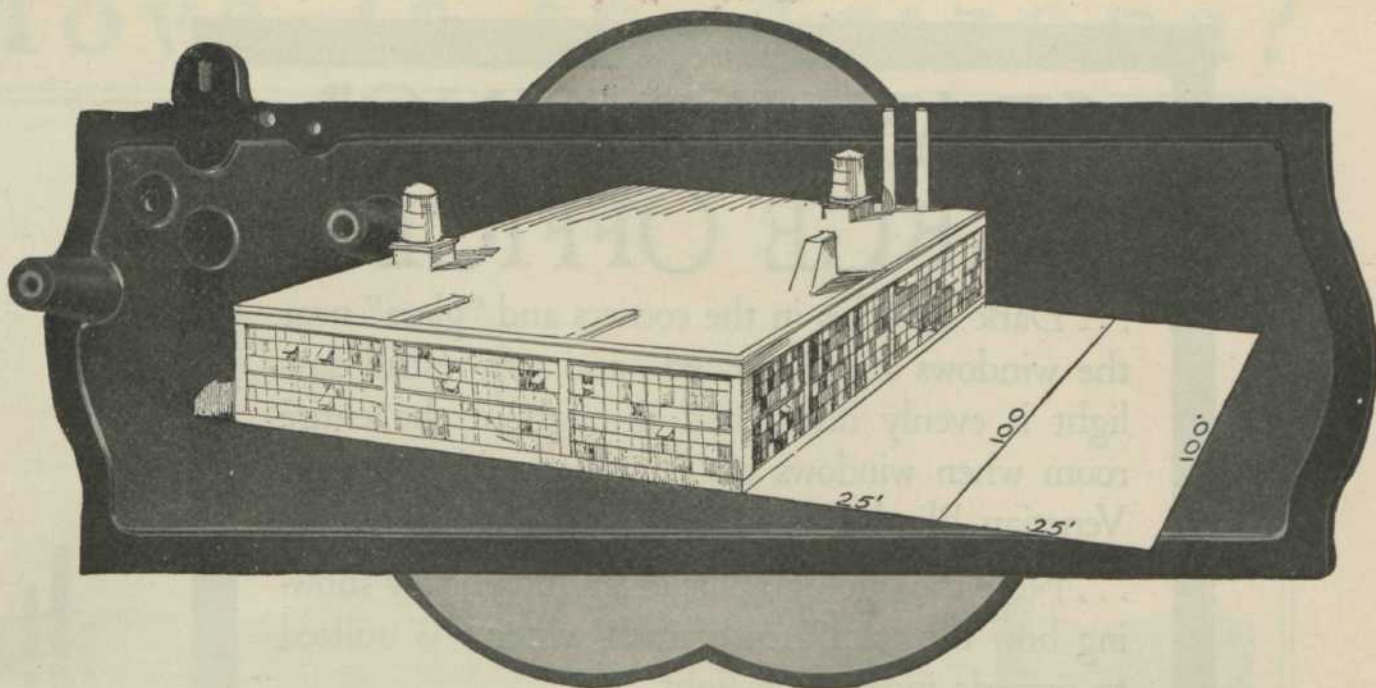
autos, fewer fur coats and parties for partner's wives, and so on." But the other man simply said: "It's an awfully hard thing to change one's style of living." The business failed, three heads of the company died, and another was divorced.

TWO YOUNG friends of mine, college boys, set out to work their way to Europe. They had heard that a big steamship line employed many college men in summer for various humble jobs. But when they applied, the employment man said: "No; we had to quit hiring college boys. An occasional one will work, but most of them have learned to shirk. We prefer young men for these jobs who have had to work all their lives and formed the habit of delivering an honest day's labor."

PEOPLE used to move to the suburbs," says a real estate man, "to get their children out of apartment houses. But now when they move to the suburbs they still live in apartments. Their reason for



going to the suburbs is to be able to get more pleasure out of their automobiles. They want to be able to start out from home and drive through the country without having to spend most of their time in city traffic. That's why more apartment houses are being built in suburbs than in cities.



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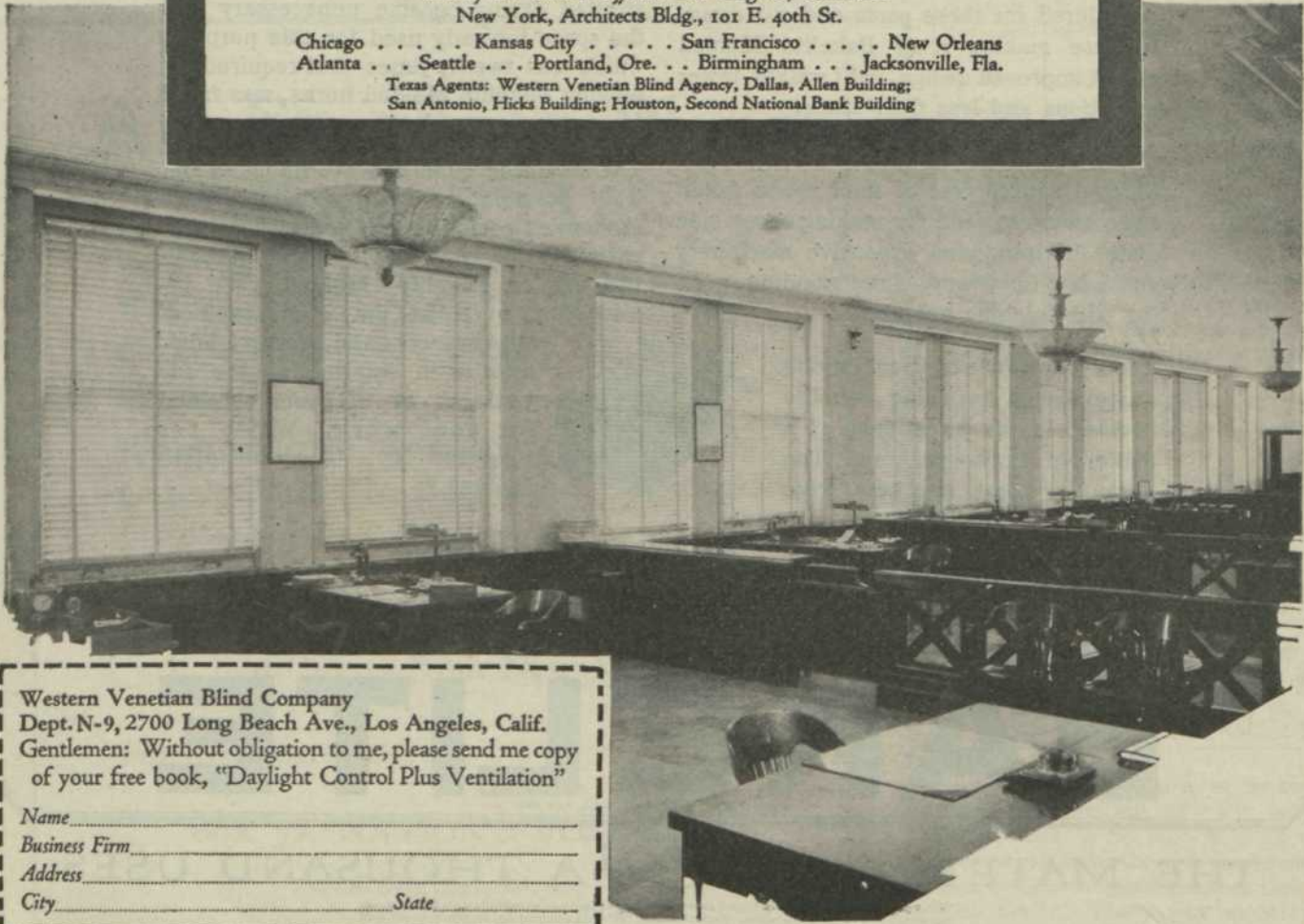
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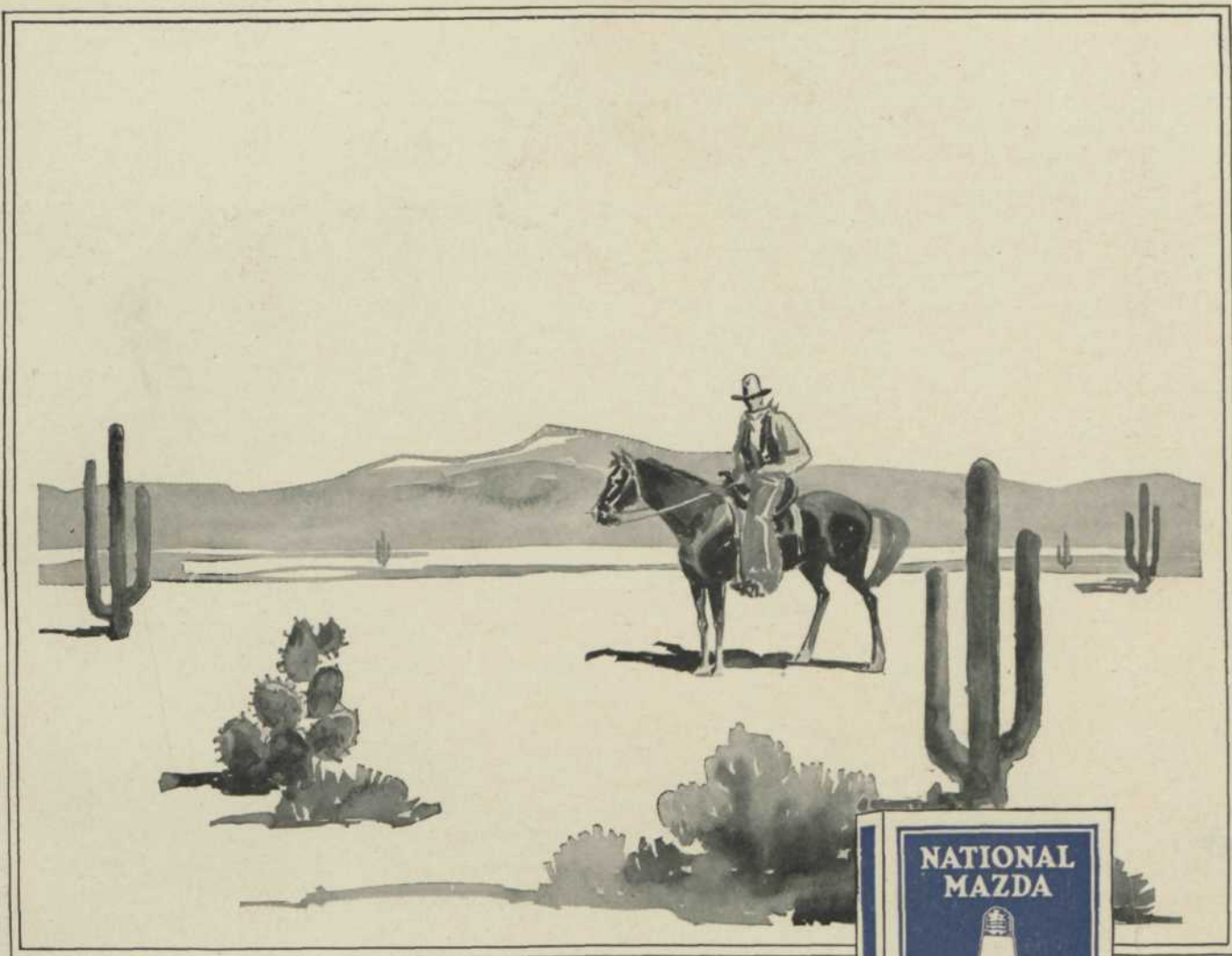
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One way of having plenty of light in your factory is to go where the air is clear and the sun shines every day—Arizona, for example.

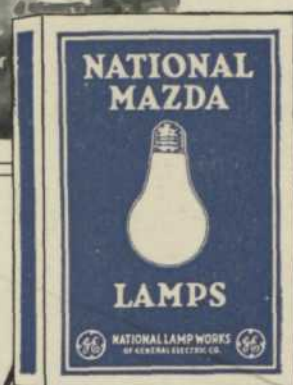
But your factory is established—you have your markets and your transportation, your power and labor supply, to think about. And Arizona, for most manufacturers, is a long way off.

It's only the light you'd be moving for, anyway—and what a price you'd pay! And that in the face of the fact that you can have, right where you are, *better light than any daylight*—

It is worth while checking up to see if your lighting is really up to date—and the probabilities are that it isn't, if it was installed more than five years ago. Ask your electrical contractor or your electric light company to measure your lighting with a foot-candle meter. They will tell you just how your lamps should be spaced and shaded, and what sizes of National MAZDA lamps you should use for best results.

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